

CITY OF POQUOSON

Virginia

Adopted Annual Financial Plan

Fiscal Year July 1, 2006 — June 30, 2007



The FY 2007 budget was adopted on May 8, 2006. The real estate tax rate was proposed at \$.87 per \$100 of assessed value but was reduced to \$.81 cents per \$100 of assessed value. In addition the personal property tax rate was proposed at \$3.85 per \$100 assessed value but was increased to \$4.15 per \$100 assessed value. This increase was in response to the elimination of the automobile decal fee beginning in this fiscal year.

The differences between the proposed budget and the adopted budget are reflected below. These changes have been made throughout the budget document except for the Executive Summary which is based on the Proposed Budget.

GENERAL FUND

Revenue:

Decrease Real Estate tax from \$.87 to \$.81 per \$100 assessed value	\$ (920,000)
Decrease Public Service Corp: tax rate of \$.81	(9,000)
Increase in Personal Property Tax Rate \$3.85 to \$4.15 per \$100	<u>225,000</u>
Total General Fund Revenue Changes	<u>\$ (704,000)</u>

Expenditures:

Decrease in City Manager	\$ (5,505)
Decrease in Independent Auditor	(1,500)
Decrease in Commissioner of the Revenue	(3,580)
Decrease in Assessor/Equalization Board	(25,565)
Decrease in Treasurer	(2,660)
Decrease in Finance	(4,770)
Increase in Risk Management	59,439
Decrease in Registrar/Electoral Board	(730)
Decrease in Police	(32,695)
Decrease in Fire	(17,895)
Decrease in Inspections	(798)
Decrease in Engineering	(330)
Decrease in Public Works	(9,100)
Decrease in General Properties	(75,420)
Decrease in Mosquito Control	(1,030)
Decrease in Parks and Recreation	(2,230)
Decrease in Library	(1,581)
Decrease in Planning	(34,380)
Decrease in Community Relations	(2,350)
Decrease in Non-Departmental	(6,000)
Decrease in Department of Motor Vehicles	(1,840)
Decrease in Transfers Out—Capital Projects	(307,000)

Decrease in Transfers Out—Solid Waste Fund	(218,000)
Decrease in Transfers Out—Debt Service Fund	<u>(8,480)</u>
Total General Fund Expenditure Changes	\$ <u>(704,000)</u>

DEBT SERVICE

Revenue:

Decrease in Transfer from General Fund	\$ <u>(8,480)</u>
Total Debt Service Fund Revenue Changes	\$ <u>(8,480)</u>

Expenditures:

Decrease in School Debt	\$ <u>(8,480)</u>
Total Debt Service Fund Expenditure Changes	\$ <u>(8,480)</u>

CAPITAL PROJECTS FUND

Revenue:

Decrease in Transfer from General Fund	\$ <u>(307,000)</u>
Total Capital Projects Fund Revenue Changes	\$ <u>(307,000)</u>

Expenditures:

Decrease in School Bus Replacement	\$ (160,000)
Decrease in Financial System Hardware	(15,000)
Decrease in Horizontal & Vertical Marks	(98,000)
Decrease in Topography Update	(30,000)
Decrease in Vehicles & Capital Equipment	<u>(4,000)</u>
Total Capital Projects Fund Expenditures Changes	\$ <u>(307,000)</u>

SOLID WASTE FUND

Revenue:

Decrease in Transfer from General Fund	\$ (218,000)
Decrease in Green Bag Fees	(315,000)
Increase in Disposal Fees	<u>533,000</u>
Total Solid Waste Fund Revenue Changes	<u>\$ 000,000</u>

Expenditures:

Increase in Garbage and Recycling—Steam Plant	\$ 23,800
Decrease in Garbage and Recycling—Bags for Resale	<u>(23,800)</u>
Total Solid Waste Fund Expenditures Changes	<u>\$ (000,000)</u>

Note: Since adoption of the budget City Council has decided to continue with the green bag trash collection system for a period of time. A committee will be established by City Council to study the trash collection program to include the bulky item and landscaping debris pickup and to submit a recommendation within an allotted time period for improvements to the system. Until that time, this budget reflects the adopted change to the program and fees.

ORDINANCE NO. 1246

**AN ORDINANCE TO APPROPRIATE FUNDS TO THE VARIOUS
GOVERNMENTAL FUNDS OF THE CITY OF POQUOSON, VIRGINIA
FOR FY 2006-2007**

BE IT ORDAINED by the Council of the City of Poquoson, Virginia:

Section 1: That this ordinance shall be known as the Budget Appropriation Ordinance for the City of Poquoson for FY 2006-2007.

Section 2: That the following sums be and the same hereby are appropriated to the following governmental funds for FY 2006-2007.

GENERAL FUND

Revenue and Transfers In	<u>\$21,718,970</u>
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Expenditures and Transfers Out

Legislative	69,430
General Administration	1,785,049
Elections	117,980
Public Safety	5,086,210
Public Works	1,310,640
Health & Welfare	910,290
Parks, Recreation & Cultural	977,340
Community Development	657,851
Nondepartmental	152,230
Contribution to Poquoson City Schools	7,880,000
Transfers Out – Debt Service Fund	2,427,570
Transfers Out – Capital Projects Fund	153,000
Transfers Out – Parks & Recreation Fund	69,710
Contribution To Industrial Development Authority	<u>121,670</u>

TOTAL APPROPRIATION	<u>\$21,718,970</u>
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DEBT SERVICE FUND

Revenues and Transfers In	<u>\$2,427,570</u>
Expenditures	<u>\$2,427,570</u>

CAPITAL FUND

Revenues and Transfers In	<u>\$3,023,000</u>
Expenditures	<u>\$3,023,000</u>

SPECIAL REVENUE FUND

Revenues	<u>\$1,019,250</u>
Expenditures	<u>\$1,019,250</u>

SOLID WASTE FUND

Revenues	<u>\$544,600</u>
Expenditures	<u>\$544,600</u>

UTILITIES FUND

Revenues	<u>\$2,452,390</u>
Expenditures and Transfers Out	<u>\$2,452,390</u>

PARKS AND RECREATION FUND

Revenues and Transfers In	<u>\$452,060</u>
Expenditures	<u>\$452,060</u>

FLEET FUND

Revenues	<u>\$740,420</u>
Expenditures	<u>\$740,420</u>

Section 3: That of the total sum of \$21,718,970 appropriated in the General Fund, \$21,252,580 shall be appropriated from the General Fund Revenues, \$130,000 shall be transferred in from the City's Utilities Fund and \$336,390 shall be transferred from the School Board.

Section 4: That of the total sum of \$2,427,570 appropriated in the Debt Service Fund, \$2,427,570 shall be transferred in from the City's General Fund.

Section 5: That of the total sum of \$3,023,000 appropriated in the Capital Fund, \$370,000 shall be appropriated from Capital Fund Revenues, \$153,000 shall be transferred in from the City's General Fund and \$2,500,000 shall be appropriated from bond proceeds.

Section 6: That of the total sum of \$1,019,250 appropriated in the Special Revenue Fund, \$1,019,250 shall be appropriated from Special Revenue Fund revenue.

Section 7: That of the total sum of \$544,600 appropriated in the Solid Waste Fund, \$544,600 shall be appropriated in Solid Waste Fund revenues.

Section 8: That of the total sum of \$2,452,390 appropriated in the Utilities Fund, \$1,759,348 shall be appropriated from Utilities Fund revenues and \$693,042 shall be used from the City's Utilities Reserves.

Section 9: That of the total sum of \$452,060 appropriated in Parks and Recreation Fund, \$382,350 shall be appropriated from Parks and Recreation Fund revenues and \$69,710 shall be transferred in from the City's General Fund.

Section 10: That of the total sum of \$740,420 appropriated in the Fleet Fund, \$740,420 shall be appropriated from Fleet Fund revenues.

Section 11: That this ordinance shall be in effect on and after July 1, 2006.

ATTESTE:

Judy F. Wiggins
Judy F. Wiggins, City Clerk

ADOPTED: May 8, 2006

Gordon C. Helsel Jr.
Gordon C. Helsel, Jr., Mayor

ORDINANCE NO. 1247

**AN ORDINANCE TO LAY A \$.81 LEVY PER \$100.00 ASSESSED
VALUE ON ALL REAL ESTATE IN THE CITY OF POQUOSON,
VIRGINIA, FOR THE GENERAL OPERATION OF THE VARIOUS
DEPARTMENTS OF THE CITY GOVERNMENT**

WHEREAS, after careful consideration of the operation of the various departments of the City government of Poquoson for the Fiscal Year 2006-2007, it is deemed necessary that a levy of \$.81 on each \$100.00 of assessed property values be laid on all real estate within the City of Poquoson, Virginia for the support of said departments.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Poquoson, Virginia:

Section 1: That on and after the 1st day of July 2006, all real estate, situated within the Corporate Limits of the City of Poquoson, Virginia, shall be and by this ordinance is, subject to levy in the sum of \$.81 on each \$100.00 of assessed valuation of all such property standing in the name of all individuals, firms or corporations, whether or not residing within the Corporate Limits of the City of Poquoson, Virginia as of the 1st day of July 2006.

Section 2: That all revenues collectible as a result of this ordinance shall be collected by the agent or agents of the City of Poquoson, Virginia, in the same manner and subject to the same penalties as is now provided by law, and any amendment thereof, and all revenues collected by the agents of the City of Poquoson, Virginia, by levies shall be remitted to the Treasurer of the City of Poquoson, Virginia, and used for the purpose of supporting the various departments and functions of the City of Poquoson, Virginia.

Section 3: That all fines collected under this ordinance shall go into the General Fund of the City.

Section 4: That this ordinance shall be in effect on and after July 1, 2006.

ATTESTE:

Judy F. Wiggins
Judy F. Wiggins, City Clerk

ADOPTED: May 8, 2006

Gordon C. Helsel Jr.
Gordon C. Helsel, Jr., Mayor

ORDINANCE NO. 1248

**AN ORDINANCE TO LAY A \$4.15 LEVY ON ALL PERSONAL PROPERTY,
A \$1.50 LEVY ON ALL WATERCRAFT, A \$1.50 LEVY ON ALL PRIVATELY
OWNED CAMPING TRAILERS AND MOTOR HOMES,
AND A \$.81 LEVY ON ALL VEHICLES WITHOUT MOTIVE POWER,
USED OR DESIGNED TO BE USED AS MANUFACTURED HOMES
IN THE CITY OF POQUOSON, VIRGINIA,
FOR THE GENERAL OPERATION OF THE VARIOUS
DEPARTMENTS OF THE CITY GOVERNMENT**

WHEREAS, after careful consideration of the operation of the various departments of the City government of Poquoson for the Fiscal Year 2006-2007, it is deemed necessary to lay a levy of \$4.15 on each \$100.00 of assessed value on all Tangible Personal Property and Machinery and Tools, a levy of \$1.50 on each \$100.00 of assessed value on all watercraft, a levy of \$1.50 on each \$100.00 of assessed value on all camping trailers and motor homes, and a levy of \$.81 on each \$100.00 of assessed value on all vehicles without motive power, used or designed to be used as manufactured homes, within the City of Poquoson for the support of said departments.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Poquoson, Virginia:

Section 1: That on and after the 1st day of January 2007 all Tangible Personal Property and Machinery and Tools situated within the Corporate Limits of the City of Poquoson, Virginia, shall be and by this ordinance are, subject to levy in the sum of \$4.15 on each \$100.00 of assessed valuation of all such Tangible Personal Property, Machinery, Tools and Public Service Corporations standing in the name of all individuals, firms or corporation, whether or not residing within the Corporate Limits of the City of Poquoson, as of the 1st day of January 2007.

Section 2: That on and after the 1st day of January 2007, all watercraft situated within the Corporate Limits of the City of Poquoson, Virginia, shall be and by this ordinance are, subject to levy in the sum of \$1.50 on each \$100.00 of assessed valuation standing in the name of all individuals, firms or corporations, whether or not residing within the Corporate Limits of the City of Poquoson, as of the 1st day of January 2007.

Section 3: That on and after the 1st day of January 2007, all privately owned camping trailers and motor homes as defined in Section 46.2-100 of the Code of Virginia (1950), as amended which are used for recreational purposes only situated within the Corporate Limits of the City of Poquoson, Virginia, shall be and by this ordinance are, subject to levy in the sum of \$1.50 on each \$100.00 of assessed valuation standing in the name of all individuals, firms or corporations, whether or not residing within the Corporate Limits of the City of Poquoson, as of the 1st day of January 2007.

Section 4: That on and after the 1st day of January 2007, all vehicles without motive power, used or designed to be used as manufactured homes as defined in Section 36-85.3 of the Code of Virginia (1950), as amended situated within the Corporate Limits of the City of Poquoson, Virginia shall be and by this ordinance are, subject to levy in the sum of \$.81 on each \$100.00 of assessed valuation standing in the name of all individuals, firms or corporations, whether or not residing within the Corporate Limits of the City of Poquoson, as of the 1st day of January 2007.

Section 5: That all revenue collectible as a result of this ordinance shall be collected by the agent or agents of the City of Poquoson, Virginia, in the same manner and subject to the same penalties as is now provided by law, and any amendment thereof, and all revenues collected by the agents of the City of Poquoson, Virginia, by levies shall be remitted to the Treasurer of the City of Poquoson, Virginia, and used for the purpose of supporting the various departments and functions of the City of Poquoson.

Section 6: That all fines collected under this ordinance shall go into the General Fund of the City.

Section 7: That the tax rates established herein shall continue until changed by City Council.

Section 8: That this ordinance shall be in effect on and after July 1, 2006.

ATTESTE:

Judy F. Wiggins
Judy F. Wiggins, City Clerk

ADOPTED: May 8, 2006

Gordon C. Helsel Jr.
Gordon C. Helsel, Jr., Mayor

**CITY OF POQUOSON, VIRGINIA
ADOPTED ANNUAL FINANCIAL PLAN
FISCAL YEAR 2007**

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Poquoson
Virginia**

For the Fiscal Year Beginning

July 1, 2005

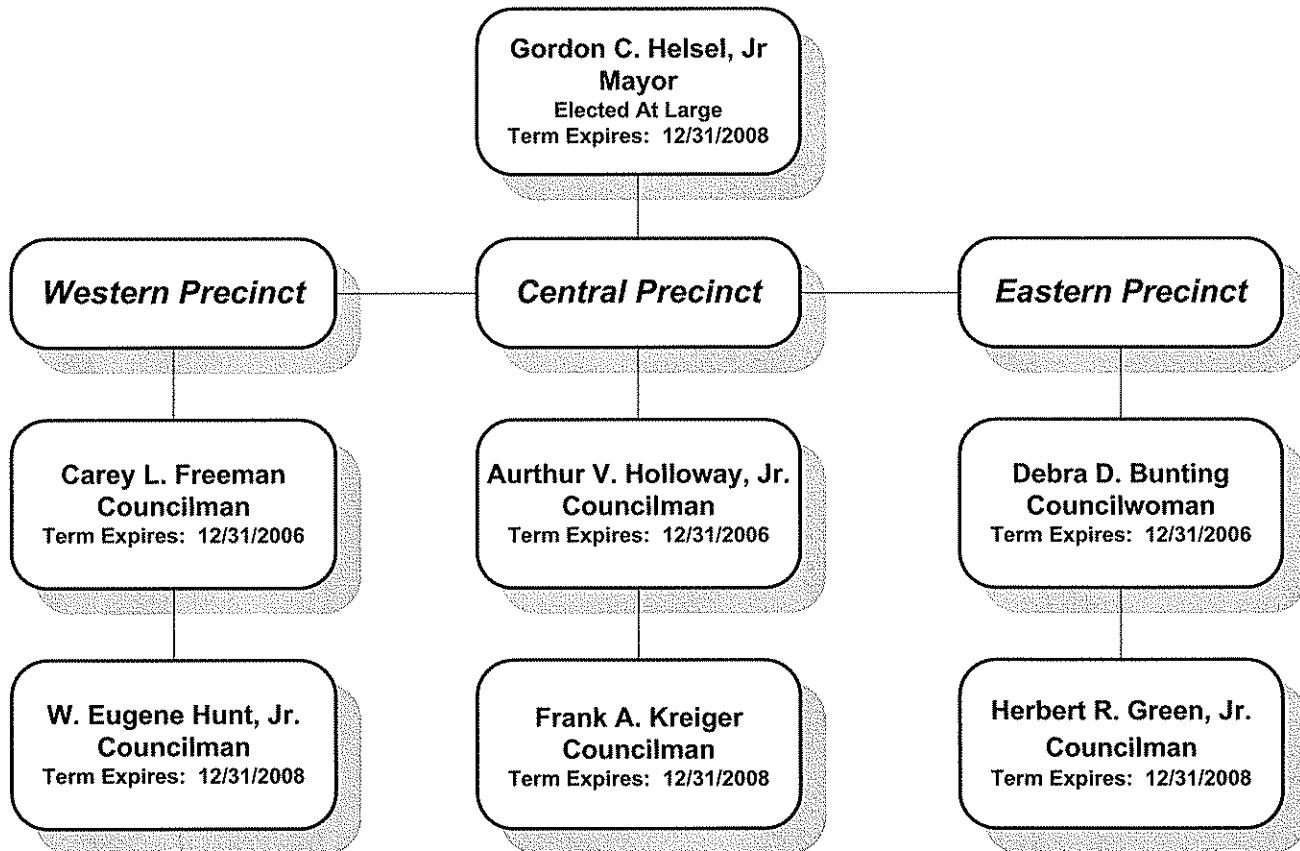
Carla E. Foye

President

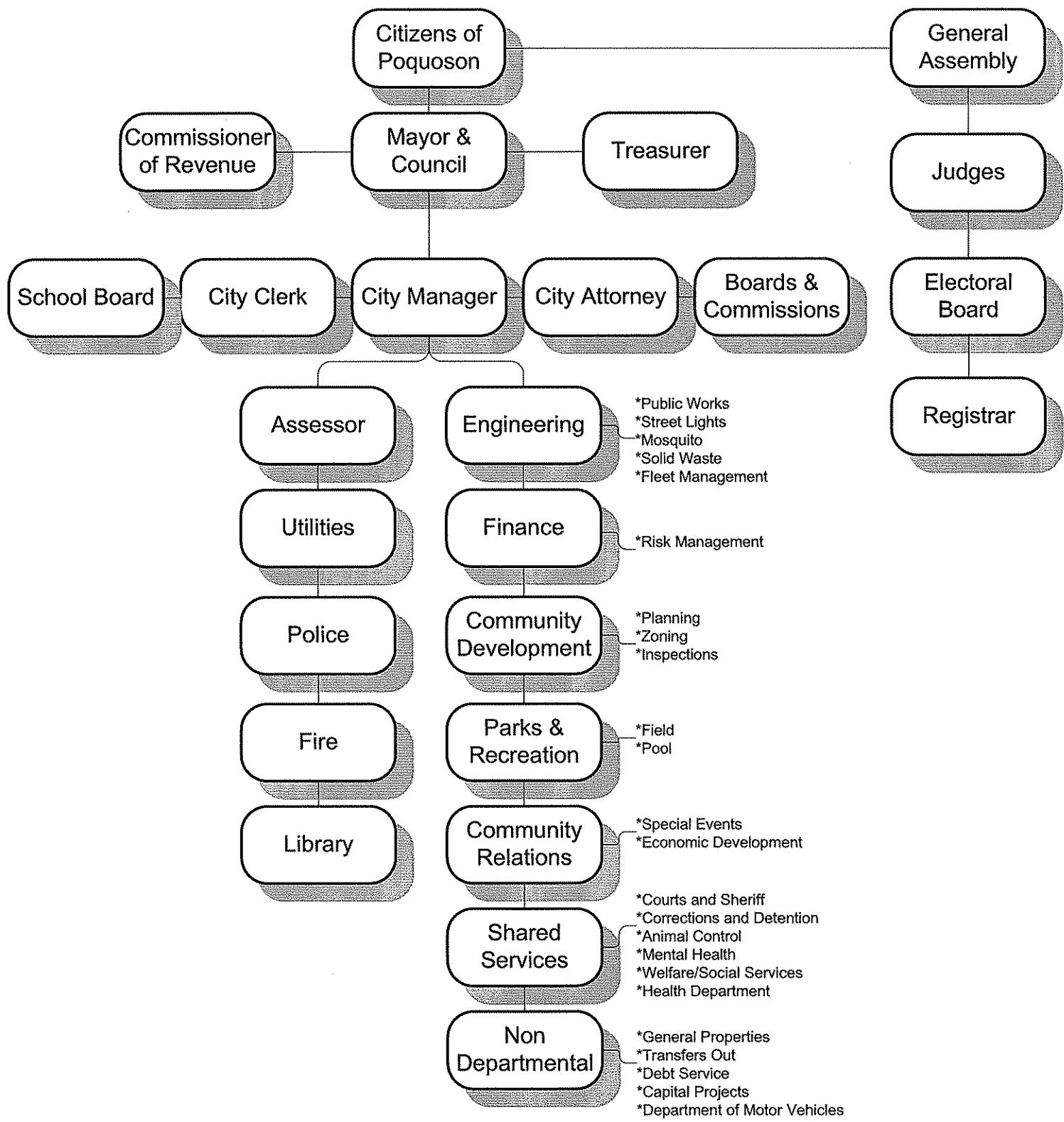
Jeffrey P. Evans

Executive Director

POQUOSON CITY COUNCIL



CITY OF POQUOSON, VIRGINIA
CITY GOVERNMENT ORGANIZATIONAL CHART



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- **Council Goals**
- **The Budget in Brief**
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Executive Summary

Fiscal Year July 1, 2006 to June 30, 2007

April 10, 2006

Introduction

Honorable Mayor and Members of City Council
Poquoson, Virginia:

The following Annual Financial Plan is hereby submitted in accordance with the requirements of the Charter of the City of Poquoson, Virginia, Article V.

The Executive Summary is a general overview of the Annual Financial Plan for Fiscal Year 2007 for the City of Poquoson. The summary provides a quick overview of the fiscal plans of the City for the upcoming fiscal year. It highlights some of the more significant items in the City's budget and addresses some of City Council's goals. The information following the Executive Summary has a considerable amount of detail for those who desire a more thorough review of the budget document.

The General Fund is the primary focus of the Executive Summary. This is the primary operating fund of the City and is used to account for most of the City's financial resources. The spending requirements of this fund determine the rates of local taxation.

In addition, budgets have been prepared for the Debt Service Fund, the Capital Projects Fund, the Special Revenue Fund, the Solid Waste Enterprise Fund, the Utilities Enterprise Fund, Parks and Recreation Enterprise Fund, and the Fleet Management Internal Service Fund.

The proposed budget is available in the City Manager's Office and the City Library for public review.

Council Goals

City Council held a goal setting work session on January 9, 2006. Budget directives were also given after revenue projections were presented on February 27, 2006. At the time goals were set the following revenue assumptions were made:

- The Assessor projected real estate reassessments would increase 30%. (Now we are expecting the reassessment to bring an average 50% increase.) In order to have more stable adjustments in reassessments, the City will change to annual reassessments effective July 1, 2007.
- Growth projections for personal property tax and other local taxes have small increases.
- State revenues are not known yet since the General Assembly has not adopted a budget. However, there were no indications that either the Senate or the House proposed State budgets would have a significant drop in State revenue.

Council was also aware of several large expenditures facing the City in FY 2007.

- The Schools were requesting a 8.5% or \$633,592 increase in funding.
- In addition to the normal merit and cost-of-living raises, the City was looking at large increases in benefits. Our contribution rate on our retirement system was increasing from 11.13% to 14.37%, and the Group Life Insurance premium was reinstated.
- Essential capital projects had been neglected for several years.

Based on higher than normal revenue growth and some upcoming large expenses, Council set the following goals for FY 2007.

Minimize Tax and Fee Increases:

With significant growth in the reassessments, Council directed staff to develop a budget keeping the real estate tax rate and other fees as low as possible. This budget has been prepared reducing the real estate tax from \$1.06 per \$100 assessed value to \$0.87 per \$100 assessed value, a 19-cent real estate tax rate decrease. Also, since the State has capped their reimbursements to localities for personal property tax relief, the City has adopted the "specific relief" method, whereas tax relief percentage will be at 60%. The Council also directed staff to budget for elimination of the motor vehicle license tax (the decal fee). The real estate tax rate was adjusted to account for this lost revenue. All other taxes and fees have been held level.

Address Capital Needs:

In prior years, funding for capital projects was limited to the most extreme needs. Projects, maintenance, and vehicle replacements were all delayed due to a lack of funding. With this budget, Council directed staff to fund those most pressing items identified in the Capital Improvement Plan (CIP), without using unappropriated fund balance.

Council Goals (Continued)

Address Use of Cash Reserves:

The Parks and Recreation Enterprise Fund has been experiencing on-going deficits. Council's goal is to keep recreational fees affordable for all citizens while maintaining existing recreational programs; however, historically this fund incurs deficits each year. The FY 2007 budget provides a \$69,710 transfer from the General Fund to the Parks and Recreation Fund. Of that, \$30,000 will help supplement user fees for programs, \$22,000 for pool operations, and \$17,710 will be used to fund community events.

The Utilities Fund has had large fluctuations in cash over the last few years. Several years ago the City extended sewer and it became mandatory for citizens to connect to the system. The sewer availability fee per household caused the Utilities Fund cash reserves to increase. Sewer extension was very costly to the City and increased the debt service of that fund significantly, as well as increased operational costs. The increased debt service and operational costs of this fund have made it increasingly more difficult to balance this budget. So that cash flow remains relatively even, the billing cycle changed from quarterly to bi-monthly. This change, instituted last fiscal year, has ensured that debt payments and operational commitments are met in a timely manner. Planned use of excess cash reserves has been allowed to keep utility fees as low as possible. For FY 2007, it is proposed to use reserves to offset non-cash depreciation and amortization charge.

Maintain Quality Schools While Controlling School Spending:

Poquoson prides itself in maintaining quality schools and having test scores that are top in the State. The Council has committed to continue to provide basic funding for school operations. This budget addresses the School's 5% salary increase for teachers, 4% for all other staff, a one-dollar-per-hour increase as a market adjustment for para-educators, clerical staff and nurses, significant increases in retirement costs, health insurance costs, and the re-introduction of Group Life Insurance. The FY 2007 proposed local funding of \$7,880,000 is a \$423,800 or 5.7% increase that covers major budget issues at the Schools.

The proposed FY 2007 budget also includes interest expense and principal payments on general obligation bonds the City issued to pay for the design and construction of a new elementary school. Construction of the new building, equipment, furnishings, and demolition of the existing elementary school are expected to cost \$15,500,000.

Budget Policies:

We have included a brief summary of our Financial Planning, Revenue, Expenditure, Fund Balance Reserve, Debt, and Investment Policies in the General Information section describing the budget process. These policies guide the City in the development of the City's Annual Financial Plan.

General Fund (Continued)

Revenues by Category: (Continued)

Public services corporation taxes is expected to be \$105,000, a decrease of \$13,000. Revenues will be lower based on the proposed lower real estate tax rate.

Personal property taxes and the State Personal Property Tax Relief Act (PPTRA) are projected to be \$3,768,430, a \$308,400 or 8.9% increase over FY 2006 estimate. PPTRA established a statewide program by which the Commonwealth of Virginia was to provide relief for owners of personal use motor vehicles from personal property taxation. Due to soaring costs associated with PPTRA, the 2004 and 2005 General Assembly sessions made significant changes to PPTRA. The changes include converting the program from an entitlement program to a block grant formula that caps statewide relief to local governments at \$950 million annually. The cap for Poquoson as identified by the State Auditor of Public Accounts for Personal Property Tax Relief is \$1,923,430.

The City adopted the "specific relief" method of computing and reflecting tax relief. The "specific relief" method allows a set single tax rate and applies tax relief at a specific percentage to each qualifying vehicle. One hundred percent of the personal property tax will continue to qualify for tax relief for qualifying personal use vehicles used for non-business purposes with a value of one thousand dollars (\$1,000) or less. Tax relief percentage will be at 60% for calendar year 2006.

Since not all personal property is affected by PPTRA, the City has estimated that citizens and businesses will pay 49% of personal property tax in FY 2007. FY 2007 budget for local tax is \$1,845,000 and State non-categorical aid is \$1,923,430.

The proposed personal property tax rate is \$3.85 per \$100 of assessed value, which is the same rate since January 1, 1997.

The General Fund also realizes revenue from a variety of smaller local taxes such as local sales tax, meals tax, consumer utility tax, E-911 telephone tax, and business licenses. The total of \$2,097,000 other local taxes accounts for 9.38% of total revenues and is expected to decrease by 17% from the FY 2006 estimate, mostly due to the elimination of the motor vehicle license fee and also to the new Communication Sales and Use tax which will reclassify some local revenue to State Non-Categorical aid.

Other local revenue totals \$342,000 and includes permits; licenses and fees; fines and forfeitures; interest on investments; rental of property; charges for services; and miscellaneous revenue. The 21.5% increase from FY 2006 is from increased earnings on investments and increases in permits, licenses and fees collected.

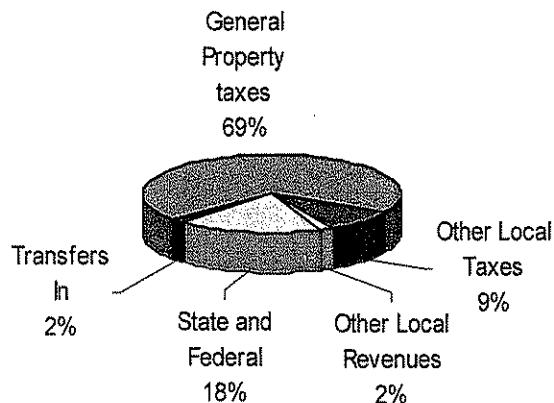
General Fund (Continued)

Revenues by Category: (Continued)

State and Federal revenue is expected to be \$4,032,580 in FY 2007, a \$474,375 or 13.4% increase from FY 2006 estimate. The increases in state revenue are from the new State Communication and Sales Use tax which replaced the local consumer utility tax, the local E-911 fee, and the cable franchise fee. There was also a slight increase in the Personal Property Tax Relief Act (PPTRA) due to increased personal property assessments. Federal funding will double from FY 2006, due to the City's acceptance of an existing COPS grant.

Transfers included \$130,000 from the Utilities Fund and \$336,390 from the Schools. The Utilities Fund reimburses the General Fund for services that are provided out of salaries in the Engineering, Public Works, and Finance Departments. The School transfer relates to lottery funds and school construction funds that the Schools will receive from the State and then transfer to the City to help pay for School debt service.

The FY 2007 proposed budget has not budgeted use of Unappropriated Fund Balance.



GENERAL FUND SOURCES OF REVENUE

General Property Taxes	\$15,485,000
Other Local Taxes	2,097,000
Other Local Revenues	342,000
State and Federal Revenues	4,032,580
Transfers In	466,390
Total Revenues	<u>\$22,422,970</u>

- Real Estate Rate \$0.87 per \$100 Assessed Value
- Personal Property Tax Rate \$3.85 per \$100 Assessed Value

General Fund (Continued)

Expenditures By Category:

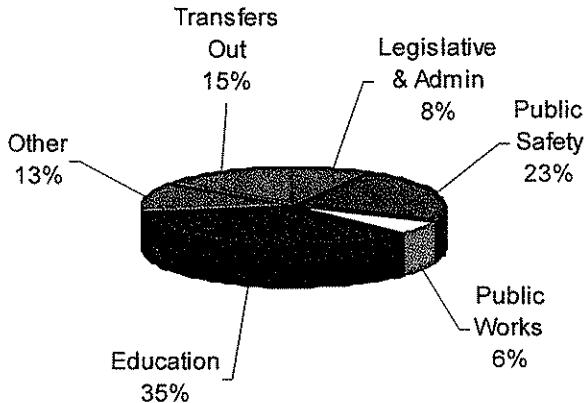
School Expenditures: The contribution to Schools accounts for 35% of the total General Fund budget. The proposed FY 2007 budget includes a \$7,880,000 contribution to Schools, a \$423,800 or 5.7% increase over the FY 2006 budget. This does not fully fund the School's request of \$8,089,792, a difference of \$209,792. The School's budget is based on an average daily membership of 2,576 students for the FY 2007 school year. The proposed budget allows the schools to increase teacher salaries by 5%, 4% for all other staff, a one-dollar-per-hour increase as a market adjustment for para-educators, nurses, and clerical staff, significant increases in retirement and health insurance costs and the reintroduction of Group Life Insurance costs.

The unspent funds in the School capital outlay in FY 2006 was \$98,904 which was returned to the City. Council reappropriated all of the funds to the Schools in FY 2006 to pay for new gym bleachers at the High School and to partially fund the new HVAC system at the Middle School. Any FY 2006 unspent School funds will be presented to Council for consideration of reappropriation to the Schools in FY 2007 after completion of the FY 2006 audit.

City Personal Services: City personal services are proposed to be \$7,885,741 in FY 2007, a \$1,020,965 or 14.9% increase. Employee salaries and overtime account for 71.6% of personal services. Salaries in all departments were budgeted using an overall average increase of 5% for merit and cost-of-living raises for employees. Personnel costs also include \$20,000 for salary market adjustments in FY 2007. Salaries include funding five new full-time positions: a Geographic Information System (GIS) position, a Building Supervisor, an Appraiser, and two Police Officers (grant funded). The City will also take over an existing Parks and Recreation position that was previously funded by the Day Care Program. Three part-time positions are also proposed: Assessor Technician and two Police Dispatchers. Also, funding is included for an intern in the City Manager's office.

GENERAL FUND EXPENDITURE USES

Legislative & Administrative	\$1,838,620
Public Safety	5,137,598
Public Works	1,395,490
Education	7,880,000
Other	2,865,832
Transfers Out	<u>3,305,430</u>
Total Expenditures	<u>\$22,422,970</u>



General Fund Expenditure Uses

Uses	FY 2006	FY 2007	\$ Inc/(Dec)	% Inc/(Dec)
School	\$ 7,456,200	\$ 7,880,000	\$ 423,800	5.7%
City	12,352,149	14,542,970	2,190,821	17.8%
Total	\$19,808,349	\$22,422,970	\$ 2,614,621	13.2%

General Fund Contribution to Schools

Category	FY 2006	FY 2007	\$ Inc/(Dec)	% Inc/(Dec)
Operations	\$ 7,456,200	\$ 7,880,000	\$ 423,800	5.7%
Capital Outlay	98,904	160,000	61,096	61.8%
Total	\$ 7,555,104	\$ 8,040,000	\$ 484,896	6.5%

General Fund City Expenditures by Category

Category	FY 2006	FY 2007	\$ Inc/(Dec)	% Inc/(Dec)
Personal Services	\$ 6,864,776	\$ 7,885,741	\$ 1,020,965	14.9%
Operations/Transfers	3,562,700	3,902,779	340,079	9.6%
Debt Service	1,604,694	2,436,050	831,356	51.8%
Capital Outlay	319,979	318,400	(1,579)	(0.5%)
Total	\$ 12,352,149	\$ 14,542,970	\$ 2,190,821	17.8%

Expenditures By Category: (Continued)

Employee benefits account for 28.4% of personal services. Employee benefits are projected to increase 31%, primarily due to a 20% increase in health insurance and a 36% increase of retirement costs.

City Operations/Transfers: The City's operational costs and transfers are proposed to be \$3,902,779 in FY 2007, a \$340,079 or 9.6% increase.

Debt Service: In FY 2007, the City will transfer \$2,436,050 to the Debt Service Fund, a 51.8% or \$831,356 increase. The change is explained in the Debt Service Fund section.

Expenditures By Category: (Continued)

Capital Outlay: The City's proposed capital outlay for FY 2007 is \$318,400, a \$1,579 or 0.5% decrease from FY 2006. This category consists of smaller capital outlay in various departments, including library books, computers, equipment, tools, fire hose, police car and furniture.

School Capital Transfer to City: In FY 2006, the Poquoson City Schools had \$98,904 of unspent funds from FY 2005. City Council reappropriated all of the funds back to the schools to pay for new gym bleachers at the High School and to partially fund the new HVAC system at the Middle School.

Debt Service Fund**DEBT SERVICE FUND USES**

School Debt	\$ 1,363,931
City Debt	769,496
Reserve for Future Debt	<u>302,623</u>
Total	<u>\$2,436,050</u>

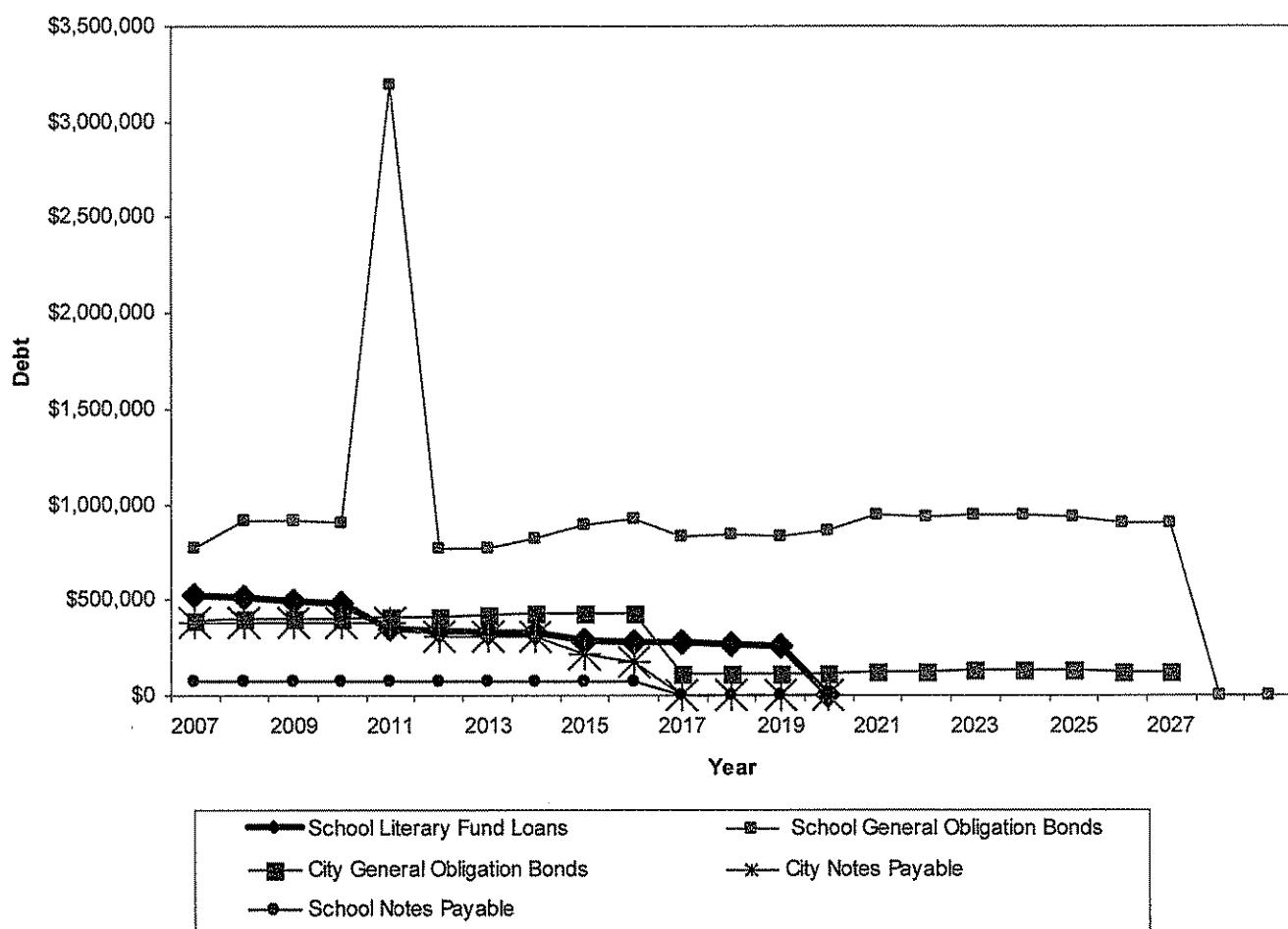
Debt Service Fund projected expenditures in FY 2007 are \$2,436,050. The entire amount of debt service expenditures will be funded with a transfer from the General Fund.

In FY 2007, the City plans to reserve \$302,623 to be set aside for future debt service on the proposed new Poquoson Elementary School and Fire Station #1.

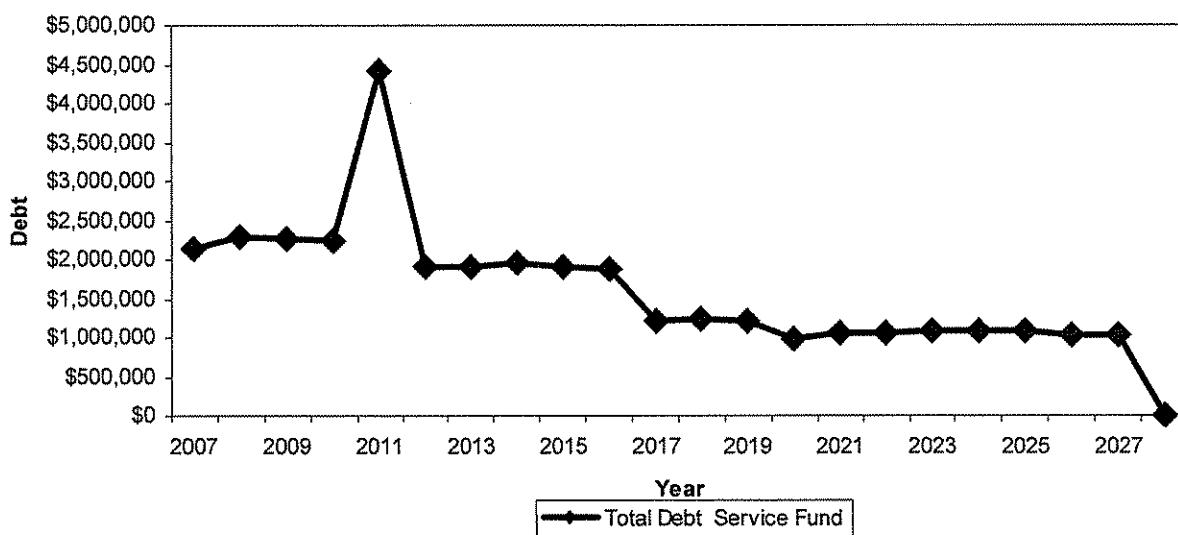
The graphs on the next page depict the City's debt service over the years. The City's largest outstanding loans are from State Literary Loan Funds and were used for School construction projects. The City also has other bonds and notes, which have been used to pay for various School and City projects. As shown on the graph, there is a large spike in FY 2011 in the debt service for the School Bonds. As planned, these bonds will be retired with new State Literary Loan Funds.

EXECUTIVE SUMMARY

Debt Service By Type



Total Debt Service Obligations



Capital Projects Fund

The Capital Projects Fund accounts for financial resources used for the acquisition or construction of major City or School capital facilities, infrastructure, and equipment other than those financed by proprietary funds.

Capital Project revenues include \$370,000 State Highway Funds for street and drainage improvements and a \$460,000 transfer from the General Fund. Locally funded capital projects include \$160,000 to purchase two school buses, \$60,000 for financial hardware replacement, \$98,000 for Geographical Information System (GIS), \$30,000 for a topography update, \$98,000 for vehicles and/or equipment and \$14,000 for building and facilities. These projects are 100% locally funded. An additional \$2,500,000 in debt will be issued in FY 2007 to complete the \$15,500,000 financing for the construction of the elementary school.

Total current year expenditures for the Capital Projects Fund are proposed to be \$3,330,000. Unspent funds are expected from FY 2006 and FY 2005, which are allowed to be carried forward to FY 2007. Funds are appropriated in the Capital Projects Fund for a period of three years. If the funds are unspent, they will lapse into the General Fund.

CAPITAL PROJECTS FUND	
REVENUE SOURCES	
State and Federal Funds	\$ 370,000
Transfer from General Fund	460,000
Bond Proceeds	<u>2,500,000</u>
Total	<u><u>\$ 3,330,000</u></u>

CAPITAL PROJECTS FUND	
EXPENDITURE USES	
Transportation and Drainage	\$ 370,000
Other Projects	202,000
PES Construction	2,500,000
School Bus Replacement	160,000
City Vehicles & Equipment	<u>98,000</u>
Total	<u><u>\$3,330,000</u></u>

Special Revenue Fund

The Special Revenue Fund accounts for revenues and expenditures related to state and federal grants for community development and public safety. The City received two Federal Hazard Mitigation Program Grant (HMPG) grants for the purpose of raising houses to flood elevation so they will not flood in the future. The grant is a shared grant with 75% funding coming from the Federal Government, 20% coming from the State and 5% coming from local residents that qualify for the grant. The City also received two Community Development Block (CDBG) grants to elevate homes and to reimburse citizens for their repair costs.

SPECIAL REVENUE FUND REVENUE SOURCES	
HMPG Local Match	\$ 32,780
HMPG State	134,730
HMPG Federal	488,140
CDBG	<u>363,600</u>
Total	<u>\$ 1,019,250</u>

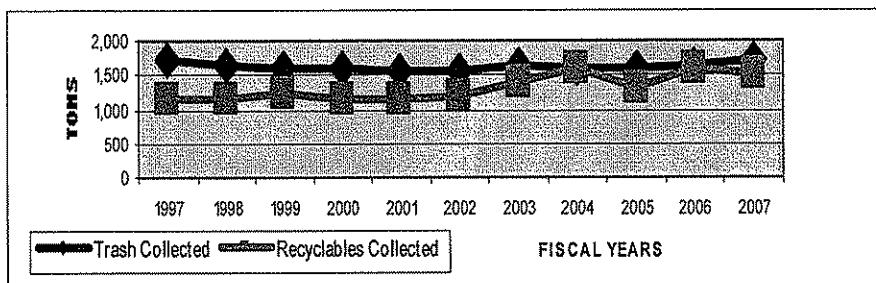
SPECIAL REVENUE FUND EXPENDITURE USES	
Operating Expenses	<u>\$1,019,250</u>
Total	<u>\$1,019,250</u>

Solid Waste Fund

The Solid Waste Fund is an enterprise fund which accounts for the collection, disposal, and recycling of household and municipal solid waste, residential hazardous materials, bulky items, and landscaping debris. The proposed revenues for FY 2007 are \$544,600, which is \$199,770 or 26.7% less than the FY 2006 budget.

The Poquoson trash service is a pay-as-you-throw program, where citizens pay for only the amount of service that they need. The main purpose of the green bag program is to encourage recycling. As noted on the graph below, recycled trash tons have increased while regular trash tons have decreased. The green bag fees are proposed to be \$1.75 per bag in FY 2007, consistent with the prior years. The cost of green bags covers the cost of trash disposal, curbside recycling and disposal of hazardous materials.

Much of the cost of bulky item and landscaping material disposal is paid with a transfer from the General Fund. The transfer from the General Fund will be \$218,000 to cover most of bulky item and landscaping material disposal which is an \$18,000 or 9% increase over the FY 2006 contribution.



SOLID WASTE SOURCES OF REVENUE

Green Bag Fees	\$315,000
Other	11,600
Transfer from General Fund	<u>218,000</u>
Total	<u>\$544,600</u>

SOLID WASTE EXPENDITURE USES

Personal Services	\$122,760
Garbage Disposal	68,000
Recycling	115,100
Bulky Item/Landscaping	95,770
Hazardous Material	16,740
Depreciation	48,465
Other Costs	<u>77,765</u>
Total	<u>\$544,600</u>

Utilities Fund

The Utilities Fund is operated as an enterprise fund and provides for the maintenance of sewer lines and pump stations. The FY 2007 budget is proposed to be \$2,452,390, which is \$9,760 or 0.4% less than the FY 2006 budget.

Each household that is available to sewer pays a fee whether connected to the system or not unless a waiver is granted by City Council. This fund has a series of small preplanned increases to the sewer fees that are necessary for several years. The sewer service fee is \$50 bi-monthly in FY 2007. The sewer availability fee is \$6,000 for newly created lots. The notes receivable revenue represents both principal and interest on financed sewer availability fees. The use of reserves is budgeted to offset non-cash depreciation and amortization expenditures.

Approximately 51% of the expenditures in the Utilities Fund cover debt service on various improvements and extension of the sewer system. Personal services account for 9.9% of expenditures and include salaries and benefits for 4 full time employees for FY 2007. Depreciation and amortization accounts for 28.2% of the budget. Depreciation and amortization is the process of allocating the cost of property and debt issuances against the fiscal years' revenues; however, the costs have already been paid for in previous periods and capitalized. Since these are expenses that have a non-cash effect in FY 2007 (already paid for in previous years), and since the desire is to keep the fees as low as possible, use of net assets is budgeted to offset depreciation and amortization charges.

- ♦ Sewer Fee \$50 Bi-monthly
- ♦ Availability Fee \$6,000 for new lots

UTILITIES SOURCES OF REVENUE

Sewer Service Fees	\$1,442,390
Sewer Availability Fee	300,000
Other	16,958
Use of Reserves	<u>693,042</u>
Total	<u>\$2,452,390</u>

UTILITIES EXPENDITURE USES

Personal Services	\$244,100
Operating Expenses	131,046
Depreciation and Amortization	693,042
Debt Service	1,250,812
Capital Outlay	13,150
Transfer to General Fund	<u>130,000</u>
Total	<u>\$2,452,390</u>

Parks and Recreation Fund

The Parks and Recreation Fund accounts for parks and recreational activities which are financed by user fees. Field activities include sport programs, instructional classes and senior programs. The pool includes use of pool, swim team, swimming lessons and contracted use of pool. Special events include the Poquoson Seafood Festival and other special events that receive donations or have user fees. The budget for FY 2007 is \$452,060 which is \$252,440 less than the FY 2006 estimate. The large decrease is due to the ending of the Child Care Program. This budget supplements the normal user fees with a \$69,710 Transfer from the General Fund to help supplement user fees for various activities. The supplemental funds from the General Fund should eliminate the growing deficit in this fund.

PARKS AND RECREATION SOURCES OF REVENUE

Field	\$113,450
Pool	145,750
Special Events	123,150
Transfer from General Fund	<u>69,710</u>
Total	<u>\$452,060</u>

PARKS AND RECREATION EXPENDITURE USES

Field	\$143,270
Pool	167,875
Special Events	<u>140,915</u>
Total	<u>\$452,060</u>

Fleet Management Fund

The Fleet Management Fund is used to account for financing the costs of vehicle parts, vehicle contracted services, gas and oil, and labor for all City and School vehicles and equipment. Costs are charged to City departments and the School Division for the services of the Fleet Management Fund. The budget is projected to be \$740,420 in FY 2007, a 22.1% increase from the FY 2006 budget. Increases are expected in gas and oil prices and employee retirement and health insurance costs.

FLEET MANAGEMENT SOURCES OF REVENUE

Parts and Contracted Services	\$193,170
Garage Labor and Overhead	353,960
Gas and Oil Revenues	<u>193,290</u>
Total	<u>\$740,420</u>

FLEET MANAGEMENT EXPENSE USES

Personal Services	\$261,480
Fuel and Lubricants	193,290
Parts and Contractors	257,370
Other	<u>28,280</u>
Total	<u>\$740,420</u>

Unbudgeted Needs

There are a number of items which have not been included in the budget. Some of the more important items include:

Schools: The Schools requested approximately \$210,000 more in local appropriation than what is recommended in the budget.

Personnel: The Fire Department has 3 separate shifts that run operations, two shifts with 8 personnel and 1 shift with 7 personnel. The 3 shifts should have equal amount of personnel—a full-time firefighter/paramedic is needed. Staffing may not be adequate in Public Works, Mosquito Control and Police Departments. Two full-time dispatchers had been requested by the Police Department, however, only two part-time dispatchers are proposed due to limited funding. Finally, most of the surrounding localities in Hampton Roads cost-share in health insurance with retirees. The City of Poquoson offers retirees health insurance, but does not pay for any of the costs. This is a highly desired benefit for employees.

Additional Economic Development: The City has tasked the Industrial Development Authority (IDA) with developing the Big Woods and Messick Point. The IDA has purchased some land, yet needs more in order to spur business development. The IDA has a line of credit (LOC) to use to pay for land and infrastructure improvements. Interest payments on the LOC are funded with a contribution from the General Fund. Hopefully the IDA will have sufficient land sales and other revenue to pay off the over \$1.8 million already drawn on the debt, but if not the debt has been guaranteed through the full faith and credit of the City.

Capital: There are a number of projects identified in the CIP that were not funded this year including: transportation and drainage projects, replacement of Medic vehicle, and additional School capital projects. Park improvements for various City parks have not been funded. Citizens have been voicing their concerns about the lack of recreational facilities and gyms in the City.

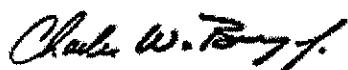
GFOA Distinguished Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA), a national organization, each year nationally recognizes budgets which meet certain rigorous standards. GFOA presented the City of Poquoson an Award for Distinguished Budget Presentation for the Fiscal Year Beginning July 1, 2005. In order to receive this award, a governmental unit must publish a document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications medium. This award is valid for a period of one year only. After receiving the award for eighteen consecutive years, we believe our current budget continues to conform to the program requirements. We have tried to incorporate comments for improvement in this document, and will submit this FY 2007 Annual Financial Plan to the GFOA to determine eligibility for another award.

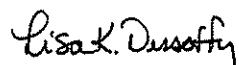
Summary

In closing, we would like to thank those staff members who participated in the development of this budget. We particularly want to thank the Finance Department staff for the many hours of work in review of the departmental budgets and preparation of the budget document. In particular, thanks to Robin Bellamy, Valerie Smith, and Evie Insley for thoughtful and dedicated work on the budget. We also want to thank the City department heads, Constitutional Officers, School officials and agencies who prepared well thought out budget requests.

Respectfully,



Charles W. Burgess, Jr.
City Manager



Lisa K. Dessoify
Director of Finance

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THE BUDGET PROCESS IN POQUOSON

The Commonwealth of Virginia requires each municipality in Virginia to adopt an annual budget which conforms to certain minimum standards. The purpose of this requirement is to ensure accountability for the public funds entrusted to the City's elected officials. While accountability is certainly an important element, our approach to budget development in Poquoson goes beyond accounting.

The Annual Financial Plan is one of the most important accomplishments by City Council during any fiscal year. Expressed in very simple terms, this budget document is the City's "Plan of Action" for the next year. The document tells the reader where and in what priority the City will apply its resources and what the City expects to accomplish. If we have been successful in our efforts, a reading of this document should give our citizens a fairly good idea of the financial status of our City as well as the progress being made in many service areas.

The Budget Document adopted in May is the culmination of a process which begins in the preceding fall with Council work sessions to review the status of City services and to set priorities for City funding.

In early February, the Finance Department provides City Council with estimates of the yields expected from our major sources of revenue for the next fiscal year assuming existing tax rates. The Finance Department also provides information on the City's financial status based on certain key indicators.

Departmental budget and agency requests are submitted to the Finance Department in mid-January. The Finance Department reviews the budget with the Departments. Every line item in a departmental budget must be fully justified. The City does not simply take what a department currently receives and add some percentage increase to it, but rather each department head must justify the current budgeted amount.

The City Manager and Director of Finance meet with department heads as necessary to review requests. Inevitably, revenue estimates fall short of total departmental requests. It is the responsibility of the City Manager to prepare a budget in which available revenues are budgeted with the proposed expenditures of City departments, regional agencies and the local funding of the School system. In order to accomplish this, the City Manager must recommend reductions in departmental requests or tax increases or a combination of both if necessary. In the City of Poquoson, tax increases are seen as a last resort.

As a final step, the City Manager's recommended budget is presented to City Council during the month of April. Subsequently, a public hearing and several work sessions take place. During this period City Council may insert expenditures or may increase, decrease, or strike out any expenditure in the recommended budget except for already approved debt service. Within forty days of the budget being presented to Council, but in no event later than the thirty-first day of May, City Council shall approve a budget. If for any reason the Council fails to approve a budget on or before such date, then the budget as submitted by the City Manager shall be the budget for the ensuing year.

It is hoped that this Budget document will assist you in better understanding the workings of Poquoson City Government. If your review of the budget raises any questions, please contact the City Manager's Office.

BUDGET POLICIES

The following brief summary of financial and budgetary principles and policies serve to guide the City in developing the Annual Financial Plan. The major components are as follows.

Financial Planning Policies

Balanced Budgets: All funds are subject to the annual budget process. All operating and capital fund budgets must be balanced – total anticipated revenues plus fund balances or reserves brought forward must equal total estimated expenditures each year. The Utilities Fund will be self-supporting. All budgets will be formulated and adopted on the basis of accounting consistent with generally accepted accounting principles

THE BUDGET PROCESS IN POQUOSON

(GAAP). The budget process will include coordinating development of the capital improvement budget with development of the operating budget.

Long-Range Planning: Budgets will be adopted annually, taking into consideration input from all organizational levels of the City. The Planning Commission adopts the Capital Improvement Plan; the document then goes to City Council for approval. Approved capital projects are included in the annual budget document to the extent funds are available. The long-term revenue, expenditure, and service implications of continuing or ending existing programs or adding new programs, services, and debt will be considered while formulating budgets annually. The City will assess the condition of all major capital assets, including buildings, roads, sewer lines, vehicles, and equipment annually.

To estimate the City's future financial position, the long-term impact of operating and capital spending will be analyzed five years forward, concurrent with the formulation of all budgets. The General Fund will maintain a minimum of 15% of total operating revenues as its fund balance. Fund Balance of the General Fund shall be used only for emergencies, nonrecurring expenditures, or major capital purchases that cannot be accommodated through current year revenues.

Revenue Policies

Revenue Diversification: The City will strive to maintain a diversified and stable revenue system to protect the City from short-run fluctuation in any one revenue source and ensure its ability to provide ongoing services. The City will identify all revenue and grant options available to the City each year. All revenue collection rates, especially for real estate and personal property taxes, will be reviewed annually, and all efforts to maximize receipt of revenues due will be made by the Treasurer's Office.

User Fees and Charges: Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. Building permit and inspection fees will be reviewed annually.

Recreation program charges will be reviewed annually. In general all efforts will be made to provide programs and activities at an affordable level for the residents while still recovering a major portion of incidental costs of programs, not to include administrative costs or the use of facilities. Charges for specialty classes such as baton, drama, etc. will be set at a level to encourage maximum participation, and also enable 75% to 80% of program receipts to be used to compensate instructors. Team sports participation fees will also be set to encourage maximum participation, while still recovering all direct program costs.

Admission and rental fees for the City pool are intended to provide an affordable service to citizens. Fees are not intended to recover 100% of the costs of operating the facility. The City encourages individual and family membership passes at a minimum fee, which provide an even more affordable opportunity for residents to enjoy the pool.

The City's Utilities Fund will be self-supporting. Sewer charges will be reviewed annually and set at levels which fully cover the total direct and indirect costs – including operations, capital outlay, and debt service.

Use of One-time or Limited-time Revenues: To minimize disruptive effects on services due to non-recurrence of these sources, the City will not use one-time revenues to fund operating expenditures.

Expenditure Policies

Operating/Capital Expenditure Accountability: The City will finance all current expenditures with current revenues. The City will not short-term borrow to meet cash flow needs. Future operating costs associated with new capital improvements will be projected and included in operating budgets. Capital Improvement

THE BUDGET PROCESS IN POQUOSON

Program budgets will provide for adequate maintenance of capital equipment and facilities and for their orderly replacement.

The budgets for all funds shall be controlled at the department level. Expenditures may not exceed total appropriations for any department without approval from the City Council. All operating fund appropriations will lapse at fiscal year-end, except appropriations in the Capital Fund. These monies can be used over a three year period. The City will include a contingency line item in the General Fund to be administered by the City Manager to meet unanticipated expenditures of a non-recurring nature. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare and present to City Council quarterly financial reports comparing actual revenues and expenditures with budgeted amounts.

Fund Balance Reserve

Fund Balance reflects the accumulation of excess revenues over expenditures. The City strives to maintain a minimum unobligated fund balance of 15% of the current year budgeted expenditures for operations as a reserve. This unobligated portion of fund balance provides sufficient working capital for the City and serves as a "rainy day" fund for emergencies or unforeseen circumstances.

Debt Policy

The objective of the City's debt policy is to maintain the City's ability to incur present and future debt at the lowest interest rates in amounts needed for financing the adopted Capital Improvement Program without adversely affecting the City's ability to finance essential City services. The City does not issue long-term debt to finance current operations.

A five-year Capital Improvements Program will be developed and updated annually along with corresponding anticipated funding sources. Capital projects financed through either bank qualified borrowing or the issuance of bonded debt will be financed for a period not to exceed the useful life of the project.

Investment Policy

The following is a brief synopsis of the investment policy of the City of Poquoson. The Treasurer of the City of Poquoson is an elected Constitutional Officer, whose responsibility, in part, is to invest funds in an expedient and prudent manner, meeting or exceeding all statutes and guidelines governing the investment of public funds in Virginia.

Cash and reserve balances from all funds will be consolidated to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the funds based on their respective participation and in accordance with generally accepted accounting principles.

The primary objectives of investment activities shall be safety, liquidity and yield. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Copies of the City's comprehensive investment policy, including the objectives, allowable investments, quality, maturity restrictions, prohibited securities, and additional requirements are available at the Treasurer's Office.

THE BUDGET PROCESS IN POQUOSON

BUDGET AMENDMENT PROCESS

The adopted General Fund Budget may be amended in one of two ways as outlined by the Code of Virginia. The City Manager is authorized to transfer funds between budget line items within a departmental budget. Revisions that alter total appropriations for a department must be approved by City Council. Therefore, the level of control at which expenditures may not exceed appropriations is the total expenditure level of each department. In certain instances, as outlined in the State Code, a public hearing may be required before the governing body can amend the budget.

ORGANIZATION OF BUDGET

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements of the Comprehensive Annual Financial Report. The City Budget includes all funds where financial transactions are recorded. The following fund types are used by the City:

Governmental Funds

- * **General Fund:** Used to account for all revenues and expenditures applicable to the general operations of the City, which are not accounted for in other funds.
- * **Debt Service Fund:** Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- * **Capital Projects Fund:** Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary funds.)
- * **Special Revenue Fund:** Used to account for resources and expenditures related to state and federal grants for community development and public safety.

The General Fund of the City is divided into functional areas, such as General Administration, Public Safety, Public Works, Health & Welfare, etc. Each department within a functional area has its own budget, for example, Police and Fire within the functional area of Public Safety. The Budget format presents expenditures by functional area and departments within a specific function.

Proprietary Funds

Proprietary Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of operating and providing services to the general public is completely or partially financed from user charges; or (b) where the governing body has determined that the periodic determination of net results of operations is appropriate for management control and accountability. Proprietary Funds include:

- * **Utilities Enterprise Fund**
- * **Parks & Recreation Enterprise Fund**
- * **Solid Waste Enterprise Fund**
- * **Fleet Management Internal Service Fund**

THE BUDGET PROCESS IN POQUOSON

BUDGETARY BASIS

Budgets are prepared on the modified accrual basis of accounting for all funds. Encumbrance accounting, under which applicable appropriations are reserved for outstanding purchase orders, is employed as an extension of the formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as a Reservation of Fund Balance since they do not constitute expenditures or liabilities. Unexpended appropriations lapse at the end of the fiscal year. Program and project budgets are utilized in the Capital Projects Fund where appropriations remain open for three years.

Governmental Funds use the modified accrual basis for financial reporting purposes. Proprietary Funds are budgeted on the modified accrual basis but use full accrual basis for financial reporting purposes. For budget purposes, Proprietary Funds include capital expenditures that are paid for out of the funds, but capitalize these for financial reporting purposes. Large capital expenditures in the Utilities Fund that are paid for out of bond proceeds are not budgeted, rather capitalized when incurred.

In the Utilities Fund, payments received on Notes Receivable are considered revenue and payments made on debt principal are considered expenditures for budget purposes. For financial reporting purposes these items affect the balance sheet.

DIRECTIONS, PERFORMANCE, MEASUREMENT AND MONITORING

The City Manager imparts to the departments at the beginning of the budget cycle the tone and the focus of the overall Budget. This information is based on revenue estimates and guidance from City Council on staffing changes, controlling costs, and maintaining tax rates.

During the fall of every year, each department develops individually their overall goals and objectives to be attained during the coming year. The aforementioned provides the basic operating direction for each department. This information is presented within each department's budget.

The Budget document is striving to provide information regarding performance or the measurement of performance per department. However, departmental objectives are usually monitored by the City Manager through frequent meetings with the department head. In addition, each department establishes efficiency and effectiveness measures in regards to their operations.

Budgetary control is maintained on a line-item basis. The Budget is monitored by the issuance of Monthly Management Reports. These reports indicate actual financial results compared to Budget and are reviewed thoroughly by the Finance Department. These reports are forwarded to City Departments and the City Manager for their analysis and management.

Purchases of goods and services must be accomplished by the use of a formal purchase order. Funds are encumbered based on purchase orders to ensure that an over-spent condition does not exist per Budget line item.

CAPITAL IMPROVEMENTS PROGRAM

The last Capital Improvements Plan (CIP) was adopted on November 28, 2005, and covers FY 2007 through FY 2011. The CIP is a planning and budgeting tool that identifies the necessary capital projects for the City of Poquoson over the five-year period. The plan is reviewed and updated annually. Early in the budget process, the plan is reviewed by the Poquoson Planning Commission. Once the CIP is adopted by the Planning Commission, the document then goes to City Council for approval. Projects in the CIP are incorporated in the Annual Financial Plan to the extent funds are available.

THE BUDGET PROCESS IN POQUOSON

Funds are not actually allocated to these future projects until they are approved in the Annual Financial Plan during the year in which they are to be constructed or purchased. Generally, the basis for the CIP can be found in the Comprehensive Plan. The Comprehensive Plan attempts to address how Poquoson will sustain itself at the beginning of the 21st century. It provides strategies for preserving property rights and developing land use policies, providing governmental services and facilities, encouraging economic development, and transportation needs of the City. The CIP in combination with the Comprehensive Plan should assist with determining and balancing long-term needs, setting priorities, and anticipating capital problems before they become critical.

FY 2007 BUDGET CALENDAR

DECEMBER 2005

- 12 Monday Budget letter request mailed to Outside Agencies.
- 12 Monday Budget preparation instructions distributed to Department Heads Including FY 2004 and FY 2005 Actual Expenses, FY 2006 Revised Budget and FY 2007 Request Departmental Budgets.

JANUARY 2006

- 9 Monday Pre-Budget City Council Directives work session.
- 12 Thursday Advertise Pre-Budget Public Hearing on January 23, 2006.
- 23 Monday Pre-Budget Public Hearing at City Council Meeting.
- 23 Monday FY 2007 Departmental Expenditure Budget Requests due to Finance.
- 23 Monday Outside Agency budget requests due.
- 24 Tuesday Finance begins review of Departmental Budget Requests. Budgets sent to City Manager as review is completed.
- 31 Tuesday Departmental Budget hearings with City Manager and Finance Director begins.

FEBRUARY 2006

- 13 Monday Joint School Board and City Council work session prior to City Council meeting at 6:00 p.m.
- 27 Monday Presentation of FY 2006 Estimated and FY 2007 Projected Revenue at the City Council Meeting.

MARCH 2006

- 27 Monday School Board Budget Request due.
- 31 Friday Final adjustments by Finance Department and City Manager to FY 2007 Estimated Revenue and Expenditures.

APRIL 2006

- 3 Monday Final Proposed Budget prepared with narratives and City Manager's budget message.
- 10 Monday Proposed Budget distributed to City Council Members.

FY 2007 BUDGET CALENDAR

- | | | |
|----|--------|---|
| 10 | Monday | Publish notice of April 24, 2006 Public Hearing, May 8, 2006 Work Session and proposed tax real estate and personal property tax rates and fees. |
| 24 | Monday | Public Hearing on Budget at City Council Meeting. Presentation to City Council and public of proposed real estate and personal property tax rate. |

MAY 2006

- | | | |
|---|--------|---|
| 8 | Monday | Joint School Board and City Council work session prior to City Council meeting at 6:00 p.m. |
| 8 | Monday | Date FY 2007 Budget was adopted. |

SUMMARY OF TAX RATES AND FEES

	FY 2004 Approved	FY 2005 Approved	FY 2006 Approved	FY 2007 Approved
<u>General Fund Taxes and Fees</u>				
Real Estate Tax	\$1.12/\$100 AV	\$1.06/\$100 AV	\$1.06/\$100 AV	\$0.81/\$100 AV
Public Service Corporation	\$1.12/\$100 AV	\$1.06/\$100 AV	\$1.06/\$100 AV	\$0.81/\$100 AV
Personal Property Tax				
Automobiles	\$3.85/\$100 AV	\$3.85/\$100 AV	\$3.85/\$100 AV	\$4.15/\$100 AV
Boats	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV
Recreation Vehicles	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV
Mobile Homes	\$1.12/\$100 AV	\$1.12/\$100 AV 1st Half	\$1.06/\$100 AV 1st Half	\$1.06/\$100 AV 1st Half
Mobile Homes		\$1.06/\$100 AV 2nd Half	\$1.06/\$100 AV 2nd Half	\$0.81/\$100 AV 2nd Half
Meals Tax (food and beverage)	5.5%	5.5%	5.5%	5.5%
Cigarette Tax	\$.10 per pack	\$.10 per pack	\$.10 per pack	\$.10 per pack
Consumer Utility Tax				
Commercial	10% on 1st \$100 SC	10% on 1st \$100 SC	10% on 1st \$100 SC	10% on 1st \$100 SC
Residential	20% of 1st \$15 SC	20% of 1st \$15 SC	20% of 1st \$15 SC	20% of 1st \$15 SC
E-911 Telephone Tax	\$2.50 per line/month	\$2.50 per line/month	\$2.50 per line/month	\$2.50 per line/month
Cable Franchise Tax	5% of gross receipts	5% of gross receipts	5% of gross receipts	5% of gross receipts
Motor Vehicle License Tax				
Motorcycles	\$15 per motorcycle	\$15 per motorcycle	\$15 per motorcycle	\$0 per motorcycle
Cars	\$25 per car	\$25 per car	\$25 per car	\$0 per car
<u>Utilities Fund Fees</u>				
Sewer Service Fees				
Commercial	\$66 quarter plus \$1.25/hcf	\$69 quarter plus \$1.25/hcf	\$50 bi-monthly plus \$1.25/hcf	\$50 bi-monthly plus \$1.25/hcf
Residential	\$66 per quarter	\$69 per quarter	\$50 bi-monthly	\$50 bi-monthly
Sewer Availability Fees	\$6,000 per vacant lot	\$6,000 per vacant lot	\$6,000 per vacant lot	\$6,000 per vacant lot
<u>Solid Waste Fund Fees</u>				
Bag Fees	\$1.75 per bag	\$1.75 per bag	\$1.75 per bag	\$ 0.00 per bag
Recycling Fee	n/a	n/a	n/a	\$20.00 bi-monthly
Landscaping Debris Charges	\$12 per pickup	\$12 per pickup	\$12 per pickup	\$12 per pickup

AV = Assessed Valuation

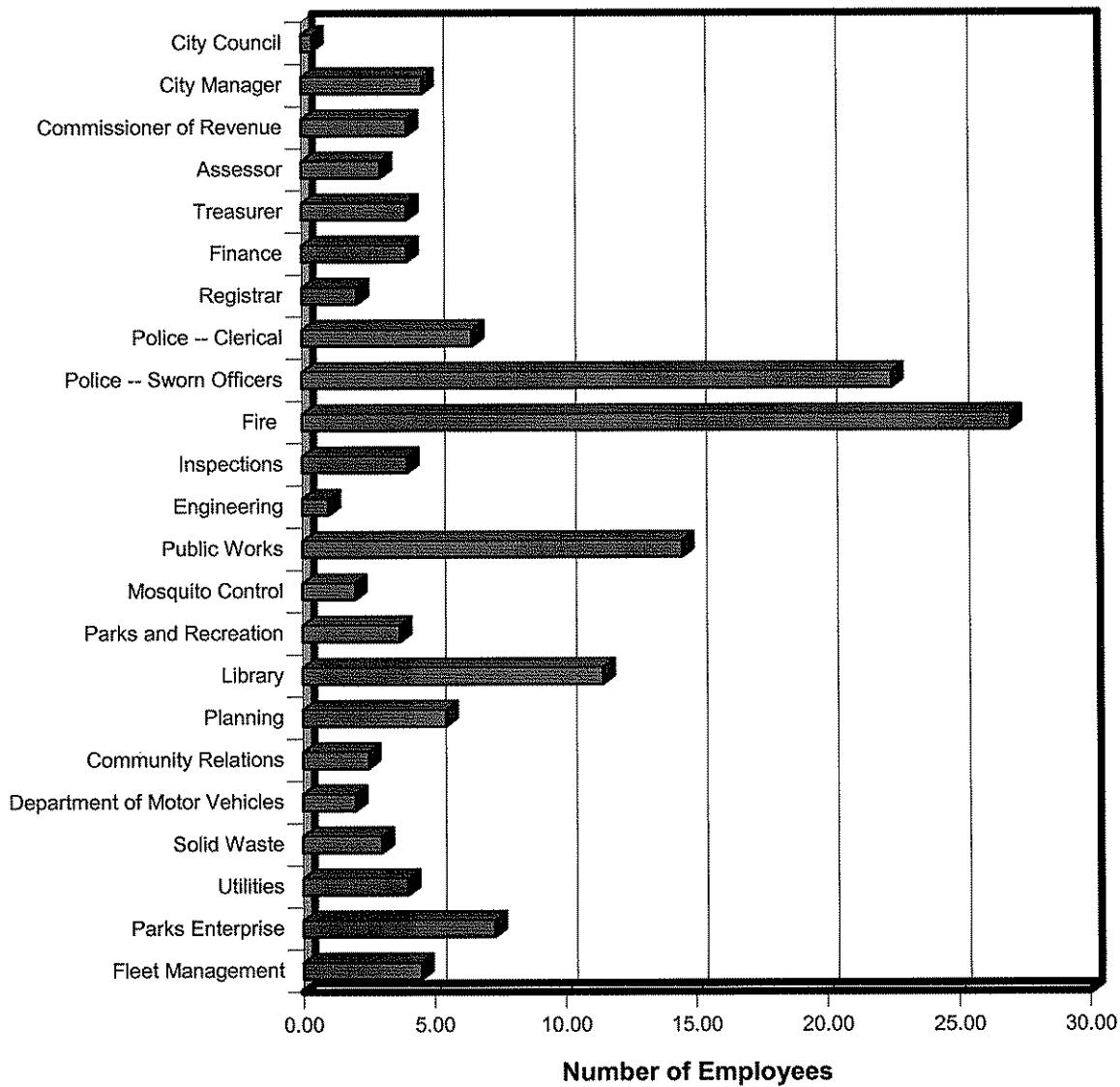
SC = Service Charge

hcf = 100 cubic feet

PERSONNEL POSITIONS

Departments and Funds	FY 2004 Authorized FTE	FY 2005 Authorized FTE	FY 2006 Authorized FTE	FY 2007 Authorized FTE
City Council	0.40	0.40	0.40	0.40
City Manager	2.70	3.60	4.20	4.60
Commissioner of the Revenue	4.00	4.00	4.00	4.00
Assessor	2.00	2.00	2.00	3.00
Treasurer	4.00	4.00	4.00	4.00
Finance	3.20	3.50	4.00	4.00
Registrar	2.10	2.10	2.10	2.10
Police -- Sworn Officers	20.50	20.50	22.50	22.50
Police -- Clerical	6.10	6.50	6.50	6.50
Fire	27.00	27.00	27.00	27.00
Inspections	2.10	3.10	4.00	4.00
Engineering	2.85	2.85	1.00	1.00
Public Works	14.50	14.50	14.50	14.50
Mosquito Control	2.10	2.00	2.00	2.00
Parks and Recreation	3.50	3.50	3.20	3.70
Library	10.45	10.45	11.45	11.45
Planning	3.60	3.60	5.45	5.45
Community Relations	2.00	2.00	2.00	2.50
Department of Motor Vehicles	2.40	2.00	2.00	2.00
Total General Fund	115.50	117.60	122.30	124.70
Solid Waste	3.00	3.00	3.00	3.00
Utilities	3.50	4.00	4.00	4.00
Parks and Recreation Enterprise	8.00	8.00	10.50	7.30
Fleet Management	4.75	4.60	4.60	4.50
Total Departments and Funds	134.75	137.20	144.40	143.50

PERSONNEL POSITIONS IN FY 2007



SUMMARY OF REVENUES AND TRANSFERS IN BY FUND

Fund	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2006 Estimated Budget	FY 2007 Adopted Budget
General Fund	\$ 20,624,285	\$ 19,788,810	\$ 20,524,801	\$ 20,524,801	\$ 21,718,970
Debt Service	1,508,041	1,565,026	1,604,694	1,604,694	2,436,050
Capital Projects	1,243,464	2,400,576	15,868,678	15,964,860	3,023,000
Special Revenue	-	101,286	1,783,483	1,783,483	1,019,250
Solid Waste Enterprise	532,384	522,552	744,370	744,370	544,600
Utilities Enterprise	2,059,787	2,693,412	2,462,150	2,462,150	2,452,390
Parks and Recreation Enterprise	526,417	562,383	704,500	651,454	452,060
Fleet Management Internal Service	546,714	584,827	607,340	607,340	740,420
TOTAL REVENUE AND TRANSFERS	27,041,092	28,218,872	44,300,016	44,343,152	32,386,740
Less: Interfund Transfers	2,029,721	2,093,376	1,948,900	1,948,900	2,650,280
TOTAL REVENUE	\$ 25,011,371	\$ 26,125,496	\$ 42,351,116	\$ 42,394,252	\$ 29,736,460

SUMMARY OF EXPENDITURES AND TRANSFERS OUT BY FUND

Fund	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2006 Estimated Budget	FY 2007 Adopted Budget
General Fund	\$ 20,837,236	\$ 19,094,177	\$ 20,524,801	\$ 20,524,801	\$ 21,718,970
Debt Service	1,508,041	1,565,026	1,604,694	1,604,694	2,436,050
Capital Projects	986,129	2,338,525	15,868,678	15,964,860	3,023,000
Special Revenue	-	49,231	1,835,538	1,835,538	1,019,250
Solid Waste Enterprise	446,173	475,269	744,370	744,370	544,600
Utilities Enterprise	2,440,840	2,382,693	2,462,150	2,462,150	2,452,390
Parks and Recreation Enterprise	524,504	557,661	704,500	704,500	452,060
Fleet Management Internal Service	538,487	562,568	607,340	607,340	740,420
TOTAL EXPENDITURES AND TRANSFERS	27,281,410	27,025,150	44,352,071	44,448,253	32,386,740
Less: Interfund Transfers	2,218,421	2,290,576	2,112,900	2,112,900	2,650,280
TOTAL EXPENDITURES	\$ 25,062,989	\$ 24,734,574	\$ 42,239,171	\$ 42,335,353	\$ 29,736,460

SUMMARY OF REVENUES AND EXPENDITURES BY CATEGORY

Revenues	Expenditures		
	General Fund		
General Property Taxes	\$ 14,781,000	Personal Services	\$ 5,550,122
Other Local Taxes	2,097,000	Employee Benefits	2,207,697
Permits Licenses & Fees	135,000	Purchased Services	458,591
Fines & Forfeitures	28,000	Internal Services	348,010
Use of Money & Property	154,700	Other Charges	1,549,591
Charges for Services	21,200	Contributions to Agencies	142,931
Miscellaneous Revenue	3,100	Materials & Supplies	141,690
State Non-Categorical Aid	2,248,390	Payment to Joint Operations	349,988
State Categorical Aid	233,350	Capital Outlay	318,400
State Other Categorical Aid	1,467,740	Transfer to Debt Service Fund	2,427,570
Federal Revenue	83,100	Transfer to Capital Fund	153,000
Transfer from Sewer Fund	130,000	Transfer to Solid Waste	-
Transfer from School Board	336,390	Transfer to Parks & Recreation	69,710
Transfer from Unappropriated Fund Balance	-	IDA Contribution	121,670
Total	\$ 21,718,970	School Contribution	7,880,000
		Total	\$ 21,718,970
	Debt Service Fund		
Transfer from General Fund	<u>\$ 2,427,570</u>	School Debt Service	\$ 1,355,443
		City Debt Service	769,496
		Reserve for Future Debt	302,631
Total	<u>\$ 2,427,570</u>	Total	<u>\$ 2,427,570</u>
	Capital Projects Fund		
State Categorical Aid	\$ 370,000	City Capital Outlay	\$ 523,000
Notes and Bond Proceeds	2,500,000	School Capital Outlay	<u>2,500,000</u>
Transfer from General Fund	<u>153,000</u>		
Total	<u>\$ 3,023,000</u>	Total	<u>\$ 3,023,000</u>
	Special Revenue Fund		
Local Revenue - Resident Match	\$ 32,780	HMGP II Grant	\$ 655,650
State Revenue	134,730	CDBG II Elevation Grant	363,600
Federal Revenue	<u>851,740</u>		
Total	<u>\$ 1,019,250</u>	Total	<u>\$ 1,019,250</u>

SUMMARY OF REVENUES AND EXPENDITURES BY CATEGORY

Revenues		Expenditures
Solid Waste Fund		
Charges for Services - Recycling	\$ 534,000	Personal Services \$ 83,421
Charges for Services - Other	10,600	Employee Benefits 39,339
Transfer from General Fund	<u>-</u>	Purchased Services 95,530
		Internal Services 53,415
		Other Charges 7,820
		Materials & Supplies 25,000
		Payment to Joint Operations 191,610
		Depreciation 48,465
		Capital Outlay <u>-</u>
Total	<u>\$ 544,600</u>	Total <u>\$ 544,600</u>
Utilities Fund		
Charges for Services - Sewer Service Fees	\$ 1,442,390	Personal Services \$ 173,164
Sewer Availability Fees	300,000	Employee Benefits 70,936
Notes Receivable Principal & Interest	4,400	Purchased Services 34,955
Miscellaneous Revenue	12,558	Internal Services 21,830
Transfer from Unrestricted Net Assets	<u>693,042</u>	Other Charges 87,950
		Materials & Supplies 12,600
		Depreciation & Amortization 693,042
		Debt Service 1,214,763
		Transfer to General Fund 130,000
		Capital Outlay 13,150
Total	<u>\$ 2,452,390</u>	Total <u>\$ 2,452,390</u>
Parks & Recreation Fund		
Charges for Services - Field	\$ 113,450	Personal Services \$ 149,907
Charges for Services - Pool	145,750	Employee Benefits 37,013
Charges for Services - Special Events	123,150	Purchased Services 179,200
Charges for Services - Child Care Program	<u>-</u>	Other Charges 43,275
Transfer from the General Fund	<u>69,710</u>	Materials & Supplies 25,575
		Depreciation 16,190
		Capital Outlay 900
Total	<u>\$ 452,060</u>	Total <u>\$ 452,060</u>
Fleet Fund		
Internal Service Revenue - City	\$ 424,655	Personal Services \$ 189,589
Internal Service Revenue - Schools	<u>315,765</u>	Employee Benefits 71,891
		Purchased Services 5,500
		Internal Services 1,400
		Other Charges 12,020
		Materials & Supplies 453,020
		Capital Outlay 7,000
Total	<u>\$ 740,420</u>	Total <u>\$ 740,420</u>

SUMMARY OF FUND BALANCE OR UNRESTRICTED NET ASSETS/(LIABILITY) BY FUND

	General Fund	Debt Service	Capital Projects Fund	Special Revenue Fund	Solid Waste Fund	Utilities Fund	Parks & Recreation Fund	Fleet Management Fund	Total Of All Funds
Beginning Fund Balance - 7/1/2003	4,354,081	-	767,291	-	499,343	1,396,867	6,595	49,795	14,324,975
Actual FY 2004 Revenues	20,624,285	1,508,041	1,243,464	-	532,384	2,059,787	526,417	546,714	27,041,092
Actual FY 2004 Expenditures	(20,837,236)	(1,508,041)	(986,129)	-	(446,173)	(2,440,840)	(524,504)	(538,487)	(27,281,410)
Ending Fund Balance - 6/30/2004	4,141,130	-	1,024,626	-	585,554	1,015,814	8,508	58,022	6,833,654
Beginning Fund Balance - 7/1/2004	4,141,130	-	1,024,626	-	585,554	1,015,814	8,508	58,022	21,158,629
Actual FY 2005 Revenues	19,788,810	1,565,026	2,400,576	101,286	522,552	2,693,412	562,383	584,827	28,218,872
Actual FY 2005 Expenditures	(19,094,177)	(1,565,026)	(2,338,525)	(49,231)	(475,269)	(2,382,693)	(557,661)	(562,568)	(27,025,150)
Ending Fund Balance - 6/30/2005	4,835,763	-	1,086,677	52,055	632,837	1,326,533	13,230	80,281	22,352,351
Beginning Fund Balance - 7/1/2005	4,835,763	-	1,086,677	52,055	632,837	1,326,533	13,230	80,281	22,352,351
Estimated FY 2006 Revenues	19,502,857	1,604,694	15,964,860	1,783,483	564,600	2,462,150	651,454	607,340	43,141,438
Estimated FY 2006 Expenditures	(20,524,801)	(1,524,694)	(447,000)	(1,835,538)	(744,370)	(2,462,150)	(704,500)	(607,340)	(28,850,393)
Projected Fund Balance - 6/30/2006	\$ 3,813,819	\$ 80,000	\$ 16,604,537	\$ -	\$ 453,067	\$ 1,326,533	\$ (39,816)	\$ 80,281	\$ 36,643,396
Beginning Fund Balance - 7/1/2006	3,813,819	80,000	16,604,537	-	453,067	1,326,533	(39,816)	80,281	36,643,396
Estimated FY 2007 Revenues	21,718,970	2,427,570	3,023,000	1,019,250	544,600	2,452,390	452,060	740,420	32,378,260
Estimated FY 2007 Expenditures	(21,718,970)	(2,124,939)	(17,296,157)	(1,019,250)	(544,600)	(2,452,390)	(452,060)	(740,420)	(46,348,786)
Projected Fund Balance - 6/30/2007	\$ 3,813,819	\$ 382,631	\$ 2,331,380	\$ -	\$ 453,067	\$ 1,326,533	\$ (39,816)	\$ 80,281	\$ 22,672,870

GENERAL FUND - SUMMARY

General Fund Description

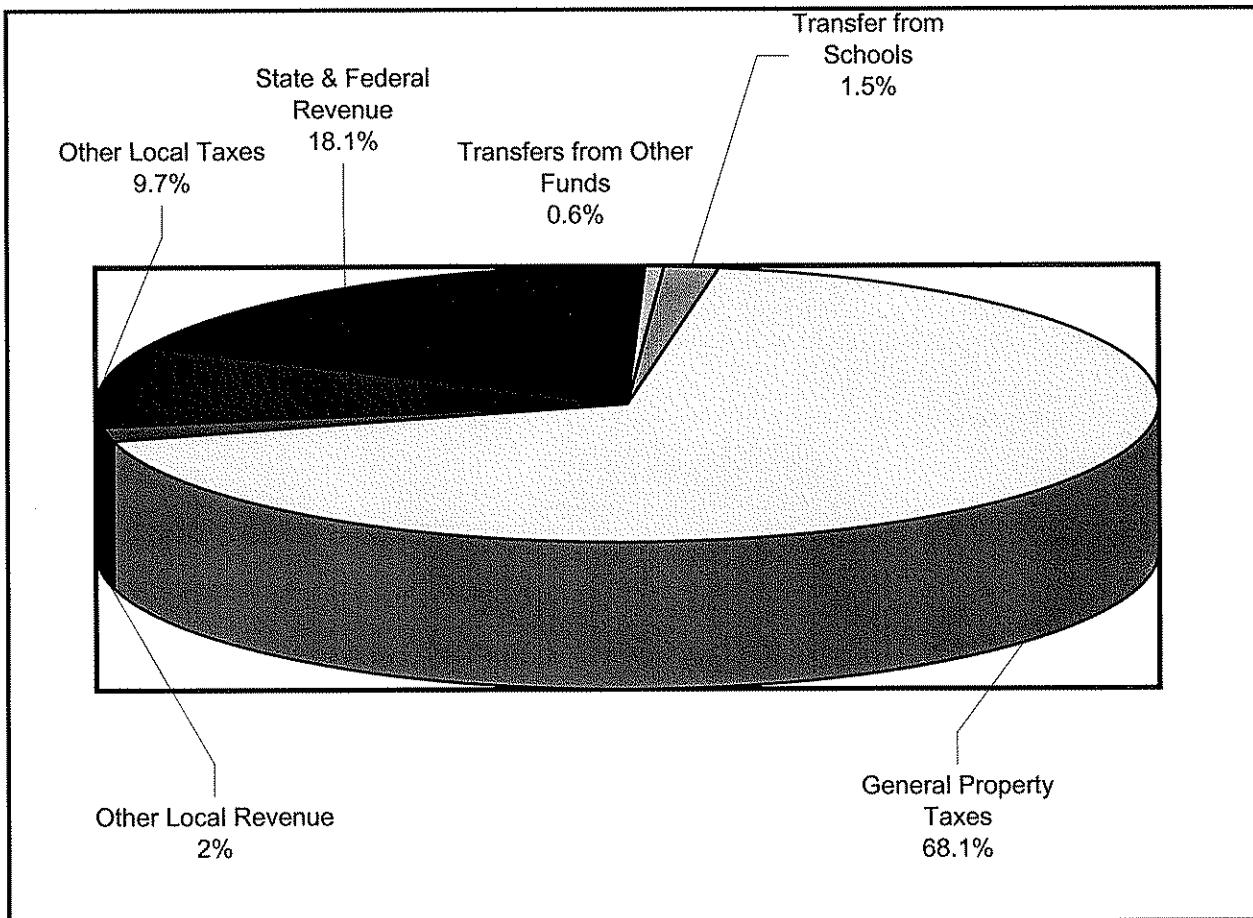
The General Fund accounts for all revenues and expenditures applicable to the general operations of the City which are not accounted for in other funds. Principal sources of revenue are property taxes and other local taxes, licenses and permit fees, and intergovernmental revenues. A significant part of the General Fund's revenues is transferred to the School Board (the component unit) to fund the operation of the City's school system. Primary expenditures are for public safety, public works, health and welfare, parks, recreation and cultural, and the general administration of the City.

General Fund Projection of Fund Balance

Beginning Undesignated Fund Balance - 7/1/2003		\$ 4,354,081
Actual FY 2004 Revenues	\$ 20,624,285	
Actual FY 2004 Expenditures	<u>(20,837,236)</u>	(212,951)
Ending Undesignated Fund Balance - 6/30/2004		\$ 4,141,130
Actual FY 2005 Revenues	\$ 19,788,810	
Actual FY 2005 Expenditures	<u>(19,094,177)</u>	694,633
Ending Undesignated Fund Balance - 6/30/2005		\$ 4,835,763
Estimated FY 2006 Revenues	\$ 19,502,857	
Estimated FY 2006 Expenditures	<u>(20,524,801)</u>	(1,021,944)
Projected Undesignated Fund Balance - 6/30/2006		\$ 3,813,819
Estimated FY 2007 Revenues	\$ 21,718,970	
Estimated FY 2007 Expenditures	<u>(21,718,970)</u>	0
Projected Undesignated Fund Balance - 6/30/2007		<u>\$ 3,813,819</u>

GENERAL FUND - SUMMARY

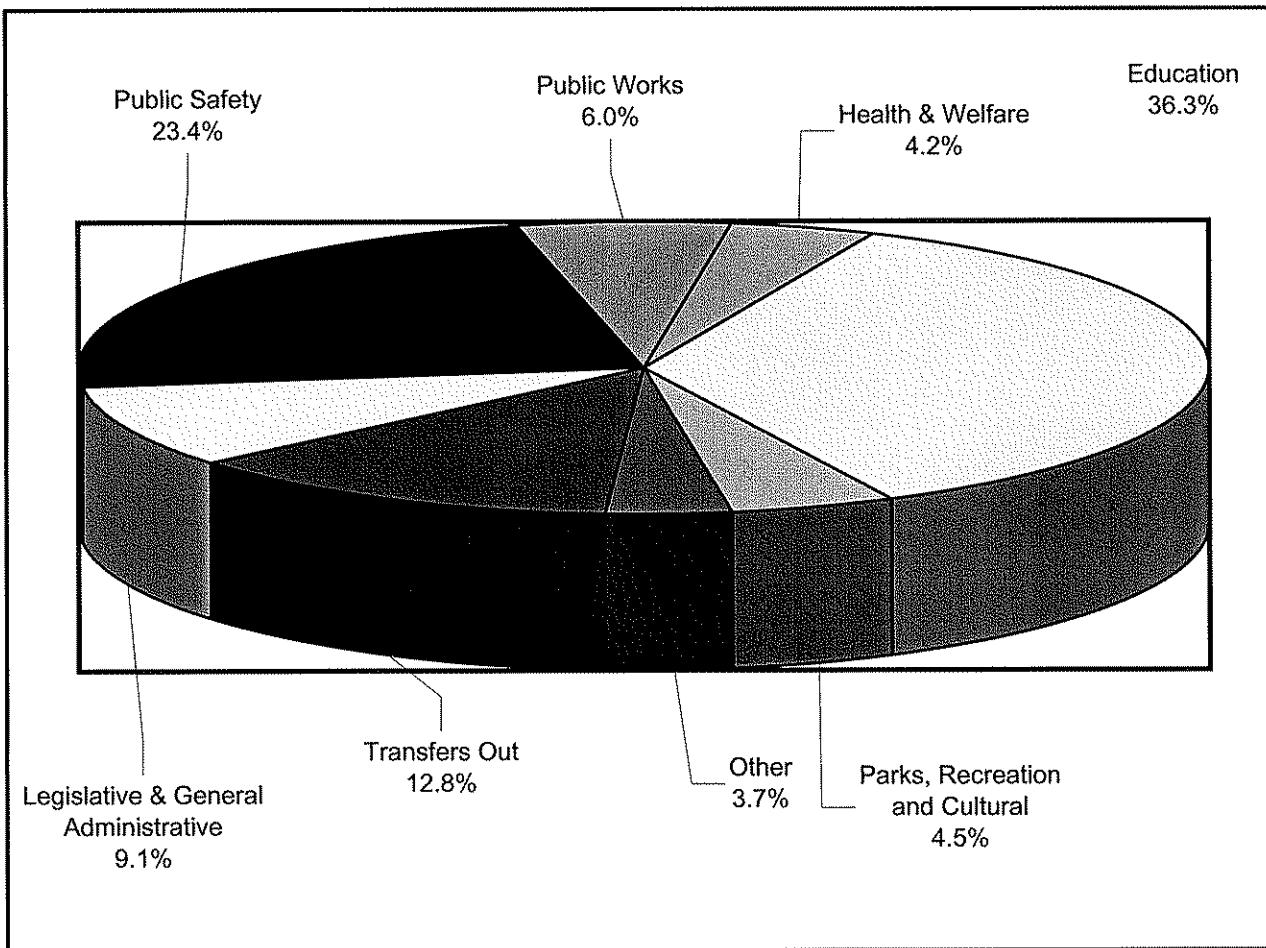
General Fund Revenue



<u>General Fund Revenue</u>	<u>Estimated</u>	<u>FY 2006</u>	<u>FY 2007</u>
General Property Taxes	\$ 12,600,000	\$ 14,781,000	
Other Local Revenue	318,142	342,000	
Other Local Taxes	2,529,000	2,097,000	
State & Federal Revenue	3,558,205	4,032,580	
Transfers from Other Funds	150,000	130,000	
Transfer from Schools	347,510	336,390	
Use of Unappropriated Fund Balance	<u>1,021,944</u>	-	
 TOTAL	 <u>\$ 20,524,801</u>	 <u>\$ 21,718,970</u>	

GENERAL FUND - SUMMARY

General Fund Expenditures



<u>General Fund Expenditures</u>	<u>Estimated FY 2006</u>	<u>FY 2007</u>
Legislative & General Administrative	\$ 1,678,644	\$ 1,972,459
Public Safety	4,702,915	5,086,210
Public Works	1,279,210	1,310,640
Health & Welfare	908,703	910,290
Education	7,555,104	7,880,000
Parks, Recreation and Cultural	906,019	977,340
Other	756,318	810,081
Extraordinary Hurricane Expense	-	-
Transfers Out	<u>2,737,888</u>	<u>2,771,950</u>
TOTAL	\$ 20,524,801	\$ 21,718,970

GENERAL FUND REVENUE SUMMARY

General Fund Revenues Summary

Account Title	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2006 Estimated Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
LOCAL REVENUE							
GENERAL PROPERTY TAXES							
Real Estate-Current Tax	\$ 9,129,560	\$ 10,451,062	\$ 10,550,000	\$ 10,550,000	\$ 12,403,000	\$ 1,853,000	17.6%
Delinquent Real Estate Taxes	238,816	122,036	150,000	150,000	125,000	(25,000)	-16.7%
Public Service Corp.	178,613	105,318	118,000	118,000	96,000	(22,000)	-18.6%
Personal Property-Current Tax	1,524,437	1,672,899	1,660,000	1,660,000	2,070,000	410,000	24.7%
Delinquent Personal Property Taxes	14,083	9,625	12,000	12,000	5,000	(7,000)	-58.3%
Penalties and Interest	141,051	127,513	110,000	110,000	82,000	(28,000)	-25.5%
TOTAL GENERAL PROPERTY TAXES	11,226,560	12,488,453	12,600,000	12,600,000	14,781,000	2,181,000	17.3%
OTHER LOCAL TAXES							
Local Sales Tax	435,253	446,435	449,000	449,000	449,000	-	0.0%
Meals Tax	416,243	443,314	420,000	420,000	435,000	15,000	3.6%
Consumer Utility Tax	439,998	447,622	427,000	427,000	366,000	(61,000)	-14.3%
Consumption Tax	37,692	38,009	36,000	36,000	36,000	-	0.0%
E-911 Telephone Tax	157,749	146,216	165,000	165,000	73,000	(92,000)	-55.8%
Business License Tax	329,573	339,675	325,000	325,000	350,000	25,000	7.7%
Cable Franchise Tax	106,899	115,874	109,000	109,000	55,000	(54,000)	-49.5%
Motor Vehicle License Tax	289,669	296,574	285,000	285,000	-	(285,000)	-100.0%
Cigarette Tax	93,441	94,467	102,000	102,000	102,000	-	0.0%
Other Local Taxes	218,447	267,536	211,000	211,000	231,000	20,000	9.5%
TOTAL OTHER LOCAL TAXES	2,524,964	2,635,722	2,529,000	2,529,000	2,097,000	(432,000)	-17.1%
TOTAL PERMITS, LICENSES & FEES	173,526	172,455	116,000	116,000	135,000	19,000	16.4%
TOTAL FINES & FORFEITURES	24,605	30,583	24,800	24,800	28,000	3,200	12.9%
USE OF MONEY & PROPERTY							
Interest on Investments	(16,056)	119,801	40,000	40,000	70,000	30,000	75.0%
Rental of Property	74,993	82,747	83,800	83,800	84,700	900	1.1%
TOTAL USE OF MONEY & PROPERTY	58,937	202,548	123,800	123,800	154,700	30,900	25.0%
TOTAL CHARGES FOR SERVICES	31,740	30,318	26,970	26,970	21,200	(5,770)	-21.4%
TOTAL MISCELLANEOUS REVENUE	93,044	60,180	26,572	26,572	3,100	(23,472)	-88.3%
TOTAL LOCAL REVENUE	\$ 14,133,376	\$ 15,620,259	\$ 15,447,142	\$ 15,447,142	\$ 17,220,000	\$ 1,772,858	11.5%

GENERAL FUND REVENUE SUMMARY

General Fund Revenues Summary

Account Title	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2006 Estimated Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
STATE REVENUE:							
NON-CATEGORICAL AID							
PPTRA AID	\$ 1,677,746	\$ 1,809,159	\$ 1,800,000	\$ 1,800,000	\$ 1,923,430	\$ 123,430	6.9%
DMV Reimbursement	92,864	77,646	80,000	80,000	80,000	-	0.0%
Communications Sales & Use Tax	-	-	-	-	155,000	155,000	n/a
E-911 Fee	-	-	-	-	73,000	73,000	n/a
OTHER AID	32,543	20,888	16,960	16,960	16,960	-	0.0%
TOTAL NON-CATEGORICAL AID	1,803,153	1,907,693	1,896,960	1,896,960	2,248,390	351,430	18.5%
CATEGORICAL AID							
TOTAL SHARED EXPENSES	190,653	210,149	224,360	224,360	233,350	8,990	4.0%
OTHER CATEGORICAL AID:							
State 599 Funds (Police)	248,640	270,848	291,800	291,800	303,400	11,600	4.0%
Street & Highway Maintenance	600,000	618,000	630,000	630,000	655,000	25,000	4.0%
Library Aid	100,156	103,226	113,797	113,797	122,860	9,063	8.0%
Juvénile Crime	14,388	14,388	14,380	14,380	14,380	-	0.0%
Comprehensive Services Act	170,754	285,033	314,900	314,900	297,000	(17,900)	-5.7%
Police Grants	353	2,319	1,500	1,500	-	(1,500)	-100.0%
Fire and EMS Grants	24,987	52,989	23,710	23,710	23,500	(210)	-0.9%
Wireless E911 PSAP	36,381	37,373	35,130	35,130	45,000	9,870	28.1%
State Matching FEMA Grant	475,077	16,738	-	-	-	-	n/a
Other State Revenue	4,495	4,375	6,568	6,568	6,600	32	0.5%
TOTAL OTHER CATEGORICAL AID	1,675,231	1,405,289	1,431,785	1,431,785	1,467,740	35,955	2.5%
TOTAL CATEGORICAL AID	1,865,884	1,615,438	1,656,145	1,656,145	1,701,090	44,945	2.7%
TOTAL STATE REVENUE	3,669,037	3,523,131	3,553,105	3,553,105	3,949,480	396,375	11.2%
FEDERAL REVENUE:							
COPS Fast Grant	26,032	7,233	-	-	-	-	n/a
Police Grants	5,144	38,286	-	-	78,000	78,000	n/a
Plum Tree Island Refuge	5,102	4,513	5,100	5,100	5,100	-	n/a
FEMA Emergency Response	2,134,876	3,370	-	-	-	-	n/a
Other Federal Revenue	36,846	2,018	-	-	-	-	n/a
TOTAL FEDERAL REVENUE	2,208,000	55,420	5,100	5,100	83,100	78,000	1529.4%
TOTAL GENERAL FUND REVENUE	20,010,413	19,198,810	19,005,347	19,005,347	21,252,580	2,247,233	11.8%
TRANSFERS IN:							
Transfer from Sewer Fund	151,800	153,000	150,000	150,000	130,000	(20,000)	-13.3%
Transfer from School Board	462,072	437,000	347,510	347,510	336,390	(11,120)	-3.2%
Transfer from Unapprop. Fund Bal.	-	-	1,021,944	1,021,944	-	(1,021,944)	-100.0%
TOTAL TRANSFERS IN	613,872	590,000	1,519,454	1,519,454	466,390	(1,053,064)	-69.3%
TOTAL REVENUE & TRANSFERS IN	\$ 20,624,285	\$ 19,788,810	\$ 20,524,801	\$ 20,524,801	\$ 21,718,970	\$ 1,194,169	5.8%

REVENUE DETAIL

LOCAL REVENUE

General Property taxes account for 86% of locally generated revenues. Included in this category are levies made on real and personal property of City residents and businesses.

REAL ESTATE TAX:

Real estate property tax on residential, business land and buildings in the City at an adopted rate of \$0.81 per \$100 of assessed value, a 6-cent decrease; however, the tax rate was proposed at \$.87 or a 19 cent decrease from the FY 2006 rate of \$1.06. Each cent of tax brings approximately \$153,000 of revenue to the City.

The tax rate is applied to the assessed value of individual property, as determined by the Real Estate Assessor during the biennial assessment. The Commonwealth of Virginia requires localities to assess real property at 100% of fair market value. FY 2007 is a reassessment year and the overall reassessment increase is 50% which reflects change for growth and other changes in assessments in the market. For FY 2007, properties that were damaged during Hurricane Isabel in September 2003 and now rebuilt, have been reassessed based on the fair market value. This is reflected in the overall reassessment increase for FY 2007.

Residential growth projections in FY 2007 are based on fifty new houses, estimated value of \$350,000 each, to be built throughout the year. This will bring approximately \$81,759 additional tax revenue during FY 2007.

FY 2007 will also have the full year of benefit of growth incurred in FY 2006. In FY 2006, those value changes were prorated based upon the time period placed in service.

FY 2006 Real Estate Budget Estimate	\$10,550,000
Full year growth of FY 2006	148,148
6 Cent Tax Decrease	(934,198)
Reassessment increase of 50%	2,561,087
FY 2007 Residential growth \$17,500,000 on new assessments of 50 new homes at \$350,000 each	77,963
FY 2007 Real Estate Budget	<u>\$12,403,000</u>

Real estate taxes are due on December 5th and June 5th. A penalty of \$10 or 10%, whichever is greater, is assessed on past due balances. In addition, interest of 10% per annum is assessed on unpaid balances beginning in the month following the month in which the tax is due.

PUBLIC SERVICE CORPORATION TAXES:

The State Corporation Commission assesses a tax on the value of the real estate and personal property of all public service corporations; such as, Dominion Virginia Power, Virginia Natural Gas, Verizon and Cox. The Commissioner of the Revenue certifies the levy as submitted by the State Corporation Commission.

Public service corporations are taxed at the same rate as real estate. The State Corporation Commission assesses public service corporations and we are estimating that assessments will be \$11,950,000 in FY 2007. In FY 2007, there is an estimated increase in public service corporation assessments. However, revenues will be lower based on the \$.81 cent real estate tax rate.

REVENUE DETAIL

PERSONAL PROPERTY TAX:

The City imposes a tax on tangible personal property of businesses and individuals, including motor vehicles, business equipment, boats, recreational vehicles (RV's), and trailers.

The City uses the NADA loan value to determine the assessment of automobiles and recreational vehicles. In the Proposed FY 2007 budget, the tax rate for automobiles was based on a \$3.85; for boats and recreational vehicles a \$1.50 tax rate per \$100 of assessed value. City Council adopted the rates of \$4.15 for automobiles and \$1.50 for boats and recreational vehicles. Mobile homes are assessed as personal property on a calendar year basis, and taxed at the proposed real estate rate of \$0.87 per \$100 of assessed value; however, this rate was adopted at \$0.81 per \$100 of assessed value effective January 1,2007. The low value in the ABOS book is used to determine the assessment for boats.

FY 2007 Personal Property Budget Estimate	\$3,768,430
\$.30 cent tax increase	<u>533,430</u>

FY 2007 Personal Property Budget	\$3,993,430
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The FY 2007 personal property tax revenue is \$3,993,430 a \$533,430 increase over the FY 2006 budget. There are higher assessments of personal property due to the increased costs of vehicles. The increased personal property tax rate is to offset the elimination of the City's motor vehicle decal fee. This fee will be discussed further on page 17.

Personal property taxes are due on December 5th and June 5th. A penalty of \$10 or 10%, whichever is greater, is assessed on past due balances. Interest at the rate of 10% per annum accrues on all delinquent taxes on the first day following the due date on which such taxes become delinquent.

The Personal Property Tax Relief Act of 1998 (PPTRA) established a statewide program by which the Commonwealth of Virginia was to provide relief for owners of personal use motor vehicles from personal property taxation. Due to soaring costs associated with PPTRA, the 2004 and 2005 General Assemblies made significant changes to PPTRA. The changes include converting the program from an entitlement program to a block grant formula that caps statewide relief to local governments at \$950 million annually. The cap for Poquoson as identified by the State Auditor of Public Accounts for Personal Property Tax Relief is \$1,923,430.

The City adopted the "specific relief" method of computing and reflecting tax relief. The "specific relief" method allows a set single tax rate and applies tax relief at a specific percentage to each qualifying vehicle. One hundred percent of the personal property tax will continue to qualify for tax relief for qualifying personal use vehicles used for non-business purposes with a value of one thousand dollars (\$1,000) or less. Tax relief percentage will be at 60% for calendar year 2006.

Since not all personal property is affected by PPTRA, the City has estimated that citizens and businesses will pay 48.0% of personal property tax in FY 2007. The break out between local taxes and state aid is as follows for FY 2007 Personal Property tax revenue.

<u>Local Taxes = 52.0%</u>	<u>State Aid = 48.0%</u>	<u>Total</u>
\$ 2,070,000	\$ 1,923,430	\$ 3,993,430

LOCAL SALES TAX:

Virginia State Sales Tax rate increased from 4.5% to 5.0% on July 1, 2004. The State returns to the City 1% of the sales tax collected within the City of Poquoson. In FY 2007 it is expected to remain level at the FY 2006 amount of \$449,000. This projection is based on commercial retail sales in the City.

REVENUE DETAIL

MEALS TAX:

A 5.5% tax has been imposed on all prepared food and beverages sold in the City since FY 2002. In FY 2007, it will increase by 3.6% over FY 2006 estimate based on growth.

CONSUMER UTILITY TAX:

The 2006 Virginia General Assembly completely revised the taxation of communication services. Effective January 1, 2007, a statewide communication sales and use tax applies to retail communication and video services. This new tax replaces the consumer utility tax the City collected from both residential and commercial customers of telephone companies. For the first six months of FY 2007, the City will collect a tax of 20% of the first \$15 of service charges billed to residential customers. For commercial users of these services, the tax is 10% of the first \$100. On January 1, 2007, the State will collect the "communication" tax and will distribute the tax to the localities. The new tax is to have a revenue-neutral impact for localities. More detailed information on the communication sales and use tax can be found in the State revenue section.

The City also collects a tax based upon consumption on residential and commercial users of the service provided by Dominion Virginia Power and Virginia Natural Gas. The monthly charge for residential and commercial users shall not exceed \$3 and \$10 respectively.

CONSUMPTION TAX:

This is a tax instituted by the State to replace the business license tax that electric and gas utilities are no longer required to pay. It is estimated that the City will receive \$36,000 annually and will remain the same in FY 2007.

E-911 TELEPHONE TAX:

Currently, the City charges an E-911 tax of \$2.50 per line per month. It is assessed to recover the majority of costs associated with operating the City's Enhanced 911 program and is collected as part of residential and commercial telephone bills. However, as mentioned above, the taxation of communication service has been revised. Effective January 1, 2007, the tax will be replaced with a state administered tax that will be remitted to the State, and then allocated to the localities. Similar to the consumer utility tax, this change is to have a revenue-neutral impact to localities. More detailed information of this tax is included in the State revenue section.

BUSINESS LICENSE TAX:

A tax based upon gross receipts is imposed on local businesses, trades, professions and occupations operating within the City. The rates vary depending upon the type of business or occupation. While there have been a few changes in local businesses, this tax varies for contractors building new homes and commercial establishments in Poquoson. The projected amount budgeted for FY 2007 is expected to increase by 7.7% over FY 2006 estimate.

CABLE FRANCHISE FEE:

The Cable Franchise Fee has also been replaced by the Communications Sales Tax. The City's right to directly impose this fee remains intact until the expiration of the City's current franchise agreement with Cox Communications. However, effective January 1, 2007, the franchise fee will be included with the

REVENUE DETAIL

Communications Sales Tax remitted to the State, payment will then be sent to the City. We have included six months of the fee as local revenue. For the remaining six months of the year, the franchise fee will be recorded as State revenue-Communications Sales and Use Tax.

MOTOR VEHICLE LICENSE TAX:

In FY 2007, the Motor Vehicle License Tax (decal fee) requirement for vehicles, RV's, motorcycles, and trailers was eliminated. In order to make up this loss in revenue, an increased personal property tax rate was adopted. This is a decrease of \$285,000 from the FY 2006 budget.

CIGARETTE TAX:

This tax is based on 10 cents per pack that went into effect October 1, 2001. The amount budgeted for FY 2007 is expected to remain the same as FY 2006.

OTHER LOCAL TAXES:

Included in this category are:

Bank Franchise Tax	\$ 41,000
Recordation Tax	160,000
Deed of Conveyance	<u>30,000</u>
<u>\$231,000</u>	

The Bank Franchise Tax is a fee that is imposed on the net capital of local banks based on returns filed with the Commissioner of the Revenue. The amount budgeted for Bank Franchise Tax is based on prior years' experience and anticipated economic trends.

Recordation Tax represents fees paid to record any document with the Circuit Court. The Deed of Conveyance is a fee that is charged by the Clerk of the York/Poquoson Circuit Court for recording land transfers. FY 2007 anticipates growth due to an active real estate market, including new residential property and favorable interest rates which trigger refinancing.

PERMITS, LICENSES, AND FEES:

Included in this category of revenue are:

Dog Licenses	\$ 1,700
Site Plan Inspection Fees	3,500
Site Plan Review Fees	5,000
Zoning Advertising Fees	8,600
Subdivision Inspection Fees	3,500
Building Permits	42,000
Electrical Permits	9,800
Plumbing Permits	13,500
Mechanical Permits	12,000
Erosion and Sediment Fees	12,000
Right-of-Way Permits	6,200
New Street Lights	2,000
Drainage Pipe Permits	2,400
Subdivision Street Lights	5,000
Subdivision Inspections	5,000
Other Fees	<u>2,800</u>
	<u>\$ 135,000</u>

REVENUE DETAIL

This represents fees for permits, subdivision and other fees. In FY 2007 this represents a 16% increase of \$19,000 from the FY 2006 estimate.

FINES AND FORFEITURES:

This represents fines for violation of local ordinances upon conviction. The FY 2007 revenue is a slight increase over the FY 2006 revised budget.

INTEREST ON INVESTMENTS:

In FY 2007 there is an anticipated increase of \$30,000 from the FY 2006 estimate.

RENTAL OF PROPERTY:

The City rents property to the School Board for administrative office space in City Hall. In FY 2007 the amount will be \$24,700, which is a 3.9% increase, based on additional maintenance costs on the building space that the School Administration occupies. Also budgeted is \$60,000 for tower rental for communications companies to place their towers on City property.

CHARGES FOR SERVICES:

Included in this category of revenue are:

Library Fees	\$17,000
Copying Charges	4,000
Miscellaneous	<u>200</u>
<u>\$ 21,200</u>	

MISCELLANEOUS REVENUE:

Miscellaneous Revenue includes:

Returned Check Fees	\$ 1,000
Miscellaneous	<u>2,100</u>
<u>\$ 3,100</u>	

Miscellaneous revenue in prior years included donations. Donations are not budgeted until received.

STATE REVENUE

NON-CATEGORICAL AID:

The City receives from the State revenues for the following categories:

Personal Property Tax Relief Act	\$1,923,430
DMV Reimbursement	80,000
A.B.C. Profits	6,780
Wine Taxes	7,100
Communications Sales & Use Tax	155,000
E-911 Fee	73,000
Rolling Stock Tax	80
Mobile Home Titling Tax	<u>3,000</u>
	<u>\$2,248,390</u>

REVENUE DETAIL

Total personal property in FY 2007 is \$3,993,430. Of this, \$2,070,000 is recorded as general property taxes and \$1,923,430 is recorded as State Non-Categorical Aid. Personal Property is expected to increase by \$533,430 due to projected increases in assessments and increased tax rate.

The City opened a State Department of Motor Vehicles (DMV) office on January 2, 2002. As part of the City's agreement with DMV, the City received 3.5% on all revenues collected. It is projected the City will receive \$80,000 for FY 2007. The office staff salaries are paid by the City, and payment for the majority of the office expenses will be assumed by the City beginning in FY 2007. The total DMV budget is \$99,070, which is higher than the projected revenue by \$19,070.

A.B.C. Profits and Wine Tax revenue are distributed by the State Department of Taxation to localities based on their census population. In FY 2007 the revenue will remain the same as the FY 2006 estimate.

Mobile Home Titling Tax represents sales tax on mobile homes and is administered by the State.

COMMUNICATIONS SALES & USE TAX:

The 2006 Virginia General Assembly has completed a major restructuring of telecommunication taxes. A statewide communications sales and use tax will be applied to retail communication and video services. The tax rate will be 5% on local exchange telephone service, paging, inter-exchange (interstate and intrastate), cable and satellite television, wireless and Voice over the Internet (VoIP). This legislation replaces the current local consumer utility taxes and cable franchise fee with a 5% Communications Sales and Use Tax on all voice, video and audio communications regardless of technology. The new tax will be collected by the companies and paid to the State, which will administer distribution of the tax revenue. The redistribution of taxes is intended to be revenue neutral to the City. We have budgeted six months of revenue (formerly recorded as local consumer utility tax and cable franchise fee). We expect the total amount of telecommunications tax revenue to remain constant.

E-911 Fee:

The restructuring of the telecommunications tax also applies to the current E-911 tax. Effective January 1, 2007, a \$0.75 "911 Tax" will be applied to each local landline and the current \$0.75 "911 Fee" will continue to be applied to each wireless number. Although the new tax is less than the City's current tax rate, the State intends that we will continue to receive the same amount of tax revenue

CATEGORICAL AID - SHARED EXPENSES:

The State assists in funding the offices of the Commissioner of the Revenue, Treasurer and Registrar. For the two constitutional officers, the level of State funding is established by the State Compensation Board within certain parameters established by the General Assembly. The Registrar's salary is paid through the State Department of Elections with the other expenses of the office paid by the City.

The FY 2007 budget of \$233,350 is based on estimates received from the State Compensation Board.

The revenues are:

Commissioner of the Revenue	\$ 85,900
Treasurer	99,600
Registrar	47,800
Medical Examiner	<u>50</u>
	<u>\$233,350</u>

REVENUE DETAIL

OTHER CATEGORICAL AID:

The City also receives funding from the State to be used for specific purposes. Included in this category is State 599 funding for the Police Department, Street and Highway Maintenance funds, Library Aid and certain grants. State 599 Fund is intended for the operation of the City Police Department. The total amount for FY 2007 is \$11,600 over the FY 2006 estimate, a 3.9% increase.

Street and Highway Maintenance aid is received for the upkeep of City roads and streets and is based upon the number of lane miles in the City system. Street and Highway Maintenance funds are also reflected in the Capital Projects Fund. The City will receive a total of \$1,025,000 in FY 2007. Of that, \$370,000 is budgeted in the Capital Projects Fund and is used for paving and drainage projects. The remaining \$655,000 is budgeted in the General Fund. This is a 3% increase over the FY 2006 estimate.

Library Aid is provided on a per capita basis for the operation of the public library. State money must be expended either for book purchases or partial funding of Library professional employees' salaries. The amount the City will receive in FY 2007 is \$122,860, an 8% increase over the FY 2006 estimate.

Comprehensive Services Act (CSA) funds are provided to partially fund mandated foster care and residentially placed special education expenses. The State contribution is expected to remain at 72.13% of the total CSA expenditures. CSA is expected to decrease in FY 2006.

<u>Local Share = 27.87%</u>	<u>State Share = 72.13%</u>	<u>Total</u>
\$ 115,000	\$ 297,000	\$412,000

Various websites from State agencies and the Virginia Municipal League (VML) determined the FY 2007 estimates for State Categorical Aid. The VML is an advocate for Virginia localities at the State General Assembly.

FEDERAL REVENUE

CATEGORICAL AID:

Plum Tree Island Refuge revenue represents payment in lieu of taxes for the Big Marsh area administered by the Department of Interior. Also, the City accepted an existing COPS grant which will partially fund two police officers for a three year period.

TRANSFERS IN

This category reflects monies transferred from the schools, other funds and the Unappropriated Fund Balance that are used to meet expenditures in the General Fund.

The Utilities Fund reimburses the General Fund for expenses incurred in the overall administration of the sewer system and in FY 2007 will be \$130,000 or a \$20,000 decrease from FY 2006.

The amounts budgeted in Transfer from the School Board; represent unspent year-end School funds and money the School remits to the City from State School Construction and State Lottery funds. The amount of unspent year-end School funds is unknown until the year-end audit is complete and thus is not budgeted in FY 2007. The City has been using both the School Construction Funds and the School Lottery Funds to pay for School debt service. In FY 2006, there is a decrease of \$11,120 from the FY 2006 estimate.

REVENUE DETAIL

School Construction Funds	\$135,430
School Lottery Funds	<u>200,960</u>
	<u>\$336,390</u>

The FY 2007 budget does not propose to use Unappropriated Fund Balance.

GENERAL FUND EXPENDITURES SUMMARY

General Fund Expenditures Summary

Account Title	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
LEGISLATIVE						
City Council	\$ 63,728	\$ 68,058	\$ 65,490	\$ 69,430	\$ 3,940	6.0%
GENERAL ADMINISTRATION						
City Manager	243,903	316,483	373,578	449,730	76,152	20.4%
Legal Services	77,308	87,384	90,250	95,250	5,000	5.5%
Independent Auditor	22,255	23,300	26,000	26,500	500	1.9%
Commissioner of the Revenue	211,832	235,902	247,750	274,540	26,790	10.8%
Assessor/Equalization Board	139,120	153,241	136,600	210,040	73,440	53.8%
Treasurer	219,176	252,090	247,920	261,210	13,290	5.4%
Finance	226,471	245,916	287,790	310,590	22,800	7.9%
Risk Management	22,674	52,586	90,046	157,189	67,143	74.6%
TOTAL ADMINISTRATION	1,162,739	1,366,902	1,499,934	1,785,049	285,115	19.0%
ELECTIONS						
Registrar/Electoral Board	99,199	108,073	113,220	117,980	4,760	4.2%
PUBLIC SAFETY						
Courts and Sheriff	179,546	180,184	254,860	225,990	(28,870)	-11.3%
Police	1,653,407	1,802,838	1,880,080	2,121,250	241,170	12.8%
Fire	1,858,249	1,933,345	2,116,915	2,262,820	145,905	6.9%
Corrections & Detention	161,799	177,767	151,480	171,400	19,920	13.2%
Inspections	110,258	215,343	230,040	236,970	6,930	3.0%
Animal Control	53,090	90,600	69,540	67,780	(1,760)	-2.5%
TOTAL PUBLIC SAFETY	4,016,349	4,400,077	4,702,915	5,086,210	383,295	8.2%
PUBLIC WORKS						
Engineering	165,375	195,409	104,860	120,160	15,300	14.6%
Public Works	797,336	874,090	938,200	1,006,660	68,460	7.3%
Street Lights	51,316	53,866	65,000	68,000	3,000	4.6%
General Properties	108,772	104,833	171,150	115,820	(55,330)	-32.3%
TOTAL PUBLIC WORKS	1,122,799	1,228,198	1,279,210	1,310,640	31,430	2.5%
HEALTH & WELFARE						
Health Department	39,103	42,966	45,201	47,010	1,809	4.0%
Mosquito Control	186,366	173,231	182,400	195,820	13,420	7.4%
Mental Health	113,345	123,504	136,210	149,660	13,450	9.9%
Welfare/Social Services	323,059	487,215	544,892	517,800	(27,092)	-5.0%
TOTAL HEALTH & WELFARE	\$ 661,873	\$ 826,916	\$ 908,703	\$ 910,290	\$ 1,587	0.2%

GENERAL FUND EXPENDITURES SUMMARY

General Fund Expenditures Summary

Account Title	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
<u>EDUCATION</u>						
School Contribution	\$ 7,070,000	\$ 7,256,200	\$ 7,456,200	\$ 7,880,000	\$ 423,800	5.7%
School Capital Contribution	120,608	54,863	98,904	-	(98,904)	-100.0%
TOTAL EDUCATION	7,190,608	7,311,063	7,555,104	7,880,000	324,896	4.3%
<u>PARKS, RECREATION & CULTURAL</u>						
Parks and Recreation	241,561	261,954	272,530	336,440	63,910	23.5%
Library	523,195	568,714	633,489	640,900	7,411	1.2%
TOTAL PARKS, REC & CULTURAL	764,756	830,668	906,019	977,340	71,321	7.9%
<u>COMMUNITY DEVELOPMENT</u>						
Planning	278,906	221,364	322,690	336,940	14,250	4.4%
Planning/BZA/Wetlands/ARB	6,231	7,547	6,300	6,200	(100)	-1.6%
Economic Development	5,000	5,325	5,330	5,330	0	0.0%
Community Development	132,315	139,741	150,458	142,931	(7,527)	-5.0%
Community Relations	117,279	131,450	136,660	166,450	29,790	21.8%
TOTAL COMMUNITY DEVELOPMENT	539,731	505,427	621,438	657,851	36,413	5.9%
<u>NON-DEPARTMENTAL</u>						
Non-Departmental	37,445	22,823	49,000	55,000	6,000	12.2%
Department of Motor Vehicles	66,509	75,379	85,880	97,230	11,350	13.2%
Hurricane Isabel Recovery	2,798,079	117	-	-	0	n/a
TOTAL NON-DEPARTMENTAL	2,902,033	98,319	134,880	152,230	17,350	12.9%
<u>TRANSFERS OUT</u>						
Capital Projects Fund	456,380	444,750	692,864	153,000	(539,864)	-77.9%
Utilities Fund	-	-	-	-	n/a	n/a
Parks and Recreation Fund	56,000	83,600	139,900	69,710	(70,190)	-50.2%
Fleet Fund	-	-	-	-	n/a	n/a
Solid Waste Fund	198,000	197,200	200,000	0	(200,000)	-100.0%
Industrial Development Authority	95,000	59,900	100,430	121,670	21,240	21.1%
Debt Service Fund	1,508,041	1,565,026	1,604,694	2,427,570	822,876	51.3%
TOTAL TRANSFERS OUT	2,313,421	2,350,476	2,737,888	2,771,950	34,062	1.2%
TOTAL GENERAL FUND	\$ 20,837,236	\$ 19,094,177	\$ 20,524,801	\$ 21,718,970	\$ 1,194,169	5.8%

CITY COUNCIL

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 36,799	\$ 39,739	\$ 41,260	\$ 44,120	\$ 2,860	6.9%
Operating Expenses	26,929	27,721	24,230	25,310	1,080	4.5%
Capital Outlay	-	598	-	-	n/a	n/a
Totals	\$ 63,728	\$ 68,058	\$ 65,490	\$ 69,430	\$ 3,940	6.0%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
City Clerk	0.4	0.4	0.4	0.4
Totals	0.4	0.4	0.4	0.4

* In Personal Services, a minimal amount is budgeted as a stipend to the one City Mayor and six City Council Members. All 7 members' stipends total \$8,700 a year.



Goals and Objectives

* Promote economic development opportunities as a means of bringing balance to local revenue generation.
 * Improve drainage throughout the City.

CITY COUNCIL

Major Departmental Functions

- * The City of Poquoson is organized under the Council-Manager form of government. The Poquoson City Council is composed of seven members who are elected by the voters and serve four year staggered terms. The City is divided into three precincts, each of which is entitled to two representatives. The City Mayor is elected at large. Persons elected to City Council take office on the first day of January following the election which is held in November of even numbered years.
- * Council appoints the City Manager, City Clerk, City Attorney, and members to various Boards and Commissions.
- * Council adopts the City Budget and Capital Improvements Plan.
- * Council adopts ordinances and resolutions relating to municipal affairs and imposes fines and penalties for noncompliance.
- * Council is served by a City Clerk who is responsible for transcribing the minutes of Council meetings and generally managing City Council's affairs. The City Clerk provides administrative support to the Mayor and Council and maintains City records in accordance with the Code of Virginia.

Performance Measures

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Regular Meetings	20	20	19	21
Work Sessions	19	18	19	20
Special Sessions	3	0	0	0

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.

CITY MANAGER

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 223,776	\$ 280,284	\$ 344,620	\$ 403,400	\$ 58,780	17.1%
Operating Expenses	15,908	28,314	21,950	24,130	2,180	9.9%
Capital Outlay	4,219	7,885	7,008	22,200	15,192	216.8%
Totals	\$ 243,903	\$ 316,483	\$ 373,578	\$ 449,730	\$ 76,152	20.4%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
City Manager	1	1	1	1
Assistant City Manager	0.6	0.6	0.6	0.6
Deputy Emerg Management Coordinator	0	0	0.6	1
Executive Assistant	1	1	1	1
Secretary	0.1	1	1	1
Totals	2.7	3.6	4.2	4.6



Goals and Objectives

- * Continue efforts to stimulate economic growth in the City, focusing on development of new, mixed use zoning districts for the Big Woods and Messick Point.
- * Continue review of City operations to identify areas for cost savings and improved services.
- * Complete update of Comprehensive Plan.
- * Continue to seek funding to assist citizens with recovery efforts from damages caused by Hurricane Isabel.
- * Implement Federal Emergency Management Agency and Community Development Block Grant programs and begin elevation projects.

CITY MANAGER

Major Departmental Functions

- * The City Manager is appointed by City Council to serve as Chief Administrative Officer of the City.
- * Execute and implement ordinances, resolutions and policies established by Council.
- * Oversee the daily administrative operations of the City. Recommend service and policy improvements.
- * Oversee the operations of all City departments, guide the performance of City staff, and encourage excellence in service through problem solving, integrity, responsiveness, innovation, and teamwork.
- * Provide ongoing community/employee relations program.
- * Keep internal and external customers advised of City related media events via public service announcements, press releases, public and employee newsletters, communications to Council members, and Cable TV access channel, and the City's website on the internet.



Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance and increased cost of .4 for a full time position.

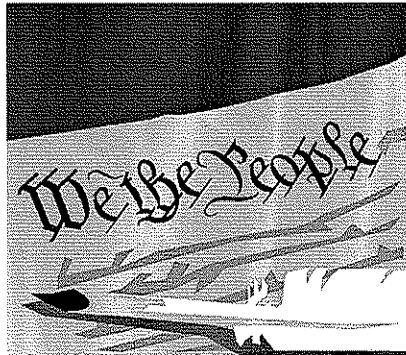
LEGAL SERVICES

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	77,308	87,384	90,250	95,250	5,000	5.5%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 77,308	\$ 87,384	\$ 90,250	\$ 95,250	\$ 5,000	5.5%

Personnel Summary

N/A



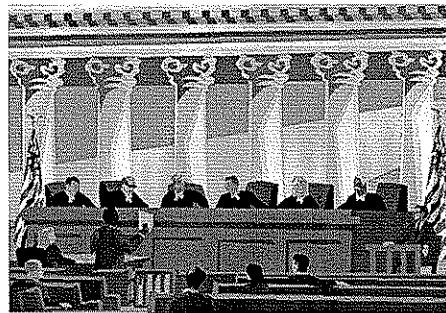
Goals and Objectives

- * Practice preventive law on behalf of the City of Poquoson by regular meetings with the City Manager and recommendations to improve the legal position of the City.
- * Handle legal matters concerning the City in accordance with law in a timely and efficient manner.

LEGAL SERVICES

Major Departmental Functions

- * The City Attorney is appointed as a consultant by City Council to serve as legal advisor to the City Council, the City Manager, and all Departments and Boards and Commissions of the City.
- * Prepares and reviews ordinances for introduction to Council.
- * Drafts and reviews all contracts, licenses, permits, deeds, leases, and other legal documents to which the City is a party.
- * Represents the City in all legal proceedings and prosecutes violations of City ordinances.
- * This department also funds collection of delinquent real estate and personal property taxes.



Significant Budget Items

- * Increase in department due to attorney contracted services.

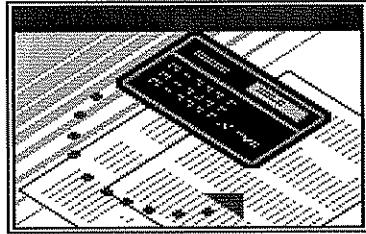
INDEPENDENT AUDITOR

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	\$ 22,255	\$ 23,300	\$ 26,000	\$ 26,500	500	1.9%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 22,255	\$ 23,300	\$ 26,000	\$ 26,500	\$ 500	1.9%

Personnel Summary

N/A



Goals and Objectives

- * Provide City Council and City administration analysis, recommendations, counsel and information concerning financial related activities of the City in accordance with generally accepted government auditing standards promulgated by the Comptroller General of the United States and the Auditor of Public Accounts of the Commonwealth of Virginia.
- * Perform FY 2006 audits of the City, School Board and School Activity Funds by November 30, 2006.
- * Prepare the Comparative Cost Report for the City.
- * Provide suggestions to strengthen internal accounting and administrative controls.
- * Implement Governmental Accounting Standards Board (GASB) Statement #40 - Deposit and Investment Risk Disclosures.

INDEPENDENT AUDITOR

Major Departmental Functions

* Accounts for an independent accounting firm to conduct an audit of the City's and Schools' financial records for the preceding fiscal year, in accordance with law.

Performance Measures

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Auditing Hours	847	880	880	920

Significant Budget Items

* Minimal increase of audit fees in FY 2007.

Program Accomplishments

* Assisted in reviewing Government Finance Officers Association (GFOA) prior year comments and financial statement checklist in order to apply for the GFOA Award for Certification of Achievement for Excellence in Financial Reporting for FY 2005.

COMMISSIONER OF THE REVENUE

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 196,745	\$ 220,590	\$ 233,230	\$ 261,120	\$ 27,890	12.0%
Operating Expenses	13,917	12,179	12,820	11,720	(1,100)	-8.6%
Capital Outlay	1,170	3,133	1,700	1,700	-	0.0%
Totals	\$ 211,832	\$ 235,902	\$ 247,750	\$ 274,540	\$ 26,790	10.8%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Commissioner of the Revenue	1	1	1	1
Deputy Commissioner II	1	1	1	1
Deputy Commissioner I	1	1	1	1
Assessment Technician/DMV Clerk	1	1	1	1
Totals	4	4	4	4

Goals and Objectives

- * Process online entry of State income tax returns within 2 days of receipt and submit required reports to State office and City Treasurer.
- * Prepare the Real Estate Land Book and all necessary supplements. Execute deferral and exemption of real estate taxes for elderly and disabled persons who meet requirements.
- * Maintain, print and mail personal property forms. Have all personal property assessed and the assessment book printed by April 1st.
- * Implement the necessary changes to personal property taxation as a result of legislative changes in 2005 and 2006.
- * Process business licenses by March 1st of each year.
- * Enforce prepared food and beverage tax and cigarette taxation.
- * Continue to audit the Virginia Department of Taxation for proper remittance of Poquoson's sales tax.

COMMISSIONER OF THE REVENUE

Major Departmental Functions

- * Maintain owners of record for all real estate parcels; prepare land book in accordance with State Code.
- * Ensure that all personal property, business property and public utility taxes are assessed.
- * Render fair and consistent assessments with regards to all personal property.
- * Audit all locally filed Virginia State income tax returns and provide reports to State and City Treasurer.
- * Utilize the online computer system with the Department of Taxation for processing refunds.
- * Administer tax exemption and deferral program for elderly and handicapped.
- * Issue business licenses to all businesses operating within the City and non-city businesses which gross \$25,000 or more in business within the City of Poquoson.
- * Prepare food and beverage tax forms and enforce such tax.
- * Administer and enforce the rules and regulations relating to cigarette taxation.

<u>Performance Measures</u>	<u>FY 2004 Actual</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Estimated</u>	<u>FY 2007 Estimated</u>
Business License	819	868	850	850
Meals Tax	60	57	60	60
Personal Property Abatements	4,751	3,663	3,500	3,500
Personal Property Assessments	19,724	19,596	19,500	19,500
Property Transfers	468	406	450	450
Public Service Corporations	12	12	12	12
Real Estate Abatements	725	419	200	200
Real Estate Parcels	5,011	5,037	5,100	5,100
State Estimated Returns	320	336	325	325
State Tax Returns Audited	3,225	2,810	2,600	2,600
State Tax Refunds Processed Online	1,418	1,208	1,100	1,100
Tax Exemption & Deferral Applications	97	95	100	110

Significant Budget Items

- * In FY 2007, effective 12/01/2006, the Commissioner will receive a 4% salary increase.
- * In FY 2007, the City will receive \$85,900 in State Categorical Aid towards expenses of this office.

Program Accomplishments

- * Received approval for 1,081 State Income Tax Refunds online with the Department of Taxation, resulting in citizens receiving \$435,000 of refunds within 3-5 days.
- * Continued providing efficiency and stability to the Department of Motor Vehicles office by cross training employees in the Commissioner's office.
- * All staff completed Integrated Revenue Management System (IRMS) training in advance of the 2006 Department of Taxation computer system conversion.

ASSESSOR / EQUALIZATION BOARD

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 127,474	\$ 114,577	\$ 121,250	\$ 188,960	\$ 67,710	55.8%
Operating Expenses	9,746	21,809	14,850	16,580	1,730	11.6%
Capital Outlay	1,900	16,855	500	4,500	4,000	800.0%
Totals	\$ 139,120	\$ 153,241	\$ 136,600	\$ 210,040	\$ 73,440	53.8%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Assessor	1	1	1	1
Appraiser	0	0	0	1
Assessment Technician	1	1	1	1
Totals	2	2	2	3

Number of Property Sales during time period

	July 2004-July 2005	July 2005-Dec 2005
Sold 1% -- 5% over Assessed Value	4	4
Sold 6% -- 10% over Assessed Value	8	5
Sold 11% -- 20% over Assessed Value	37	10
Sold 21% -- 30% over Assessed Value	47	37
Sold 31% -- 40% over Assessed Value	11	38
Sold 41% or more over Assessed Value	1	23

The above shows that the majority of the selling price of properties is more than the City's assessed value of that property. There were no properties that sold for less than the assessed value.

Goals and Objectives

- * Continue to refine program for Computer Assisted Mass Appraisal (CAMA) system.
- * Continue to utilize property surveys and aerial photographs to improve the accuracy of property identification maps.
- * Continue to work with Planning and Engineering Departments to implement a Geographic Information System (GIS).
- * Continue to maintain and post real estate sales to the Property Information Web Site.
- * Continue to modernize the office and the services that are provided to the public.
- * Complete the 2006 General Reassessment of the City.

ASSESSOR / EQUALIZATION BOARD

Major Departmental Functions

- * Conduct the annual assessment of real estate within the City. Upon completion of reassessment, prepare and mail notices to owners of property. Conduct hearings to review concerns of assessments. Assist in organizing hearings with Equalization Board. Equalization Board is nominated by City Council and appointed by the Circuit Court. The Board is responsible for hearing homeowners' appeals concerning their real estate property assessments. The Board has authority to increase, decrease or affirm appealed assessments. Assessor is bound by all Board decisions. Property owners may appeal Equalization Board decisions to the Circuit Court.
- * Maintain owners of record with descriptive information of each real estate parcel within the City.
- * Analyze sales information and monitor new construction costs in order to keep abreast of local property value trends. Inspect and visit properties that transfer.
- * Inspect and value all new construction. Make scaled drawing and photograph each main improvement.
- * Maintain property tax maps. Utilize property surveys and aerial photographs in order to correct and maintain both paper and mylar maps.

Performance Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Assessor				
Real Estate Parcels	5,028	5,126	5,235	5,300
Total Assessed Value	\$1,002,511,357	\$1,025,497,078	\$1,047,663,778	\$1,100,046,967
Property Transfers	357	566	450	460
Renovations/New Construction	231	183	500	600
Total New Assessed Value	\$18,941,300	\$22,166,700	\$30,000,000	\$40,000,000

Since reassessments are performed every two years, the Equalization Board meets every two years. Listed are the statistics for the Equalization Board.

	FY 2002 Actual	FY 2004 Actual	FY 2006 Estimated
Equalization Board			
# of Property Owners Appealing	36	26	50
# of Parcels Reviewed	39	32	50
# of Assessments Decreased	39	14	0
Value of Decreases	\$358,700	\$568,400	\$0



Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate, group life insurance and additional personnel.
- * Increase in capital outlay is due to purchases in FY 2007 of computer system and office furniture.

Program Accomplishments

- * Continued Property Information Website and created database to post real estate sales, began FY2006 appraisals and assisted Building Official with creation of a permit software program.
- * Finalized FY2005 new construction assessments and printed land book thru August 2005.
- * Photo study of all sales then created PowerPoint Presentation for citizens to view in Assessor's Office.
- * Did feasibility annual assessments vs. biennial assessments and made a presentation to Council.

TREASURER

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 182,031	\$ 200,105	\$ 217,430	\$ 237,870	\$ 20,440	9.4%
Operating Expenses	34,726	38,603	27,700	21,840	(5,860)	-21.2%
Capital Outlay	2,419	13,382	2,790	1,500	(1,290)	-46.2%
Totals	\$ 219,176	\$ 252,090	\$ 247,920	\$ 261,210	\$ 13,290	5.4%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Treasurer	1	1	1	1
Deputy Treasurer	1	1	1	1
Accounting Technician	1	1	1	1
Clerical Assistant	1	1	1	1
Totals	4	4	4	4



Goals and Objectives

- * Maintain high collection rates and customer service.
- * Maintain state office accreditation.
- * Continue training/certification program for Treasurer and deputies.
- * Improve website and statements.
- * Pursue collections of delinquent accounts.

TREASURER

Major Departmental Functions

- * Collect all revenues due to the City and School Board including real estate and personal property taxes, service fees, prepared meals taxes, license fees, and utility fees.
- * Administer online-payment website, direct-debit program and credit cards.
- * Pursue delinquent taxes and fees through Warrants, DMV Stops, Wage Liens, and Debt Setoff.
- * Maintain proper accounting of all cash receipts.
- * Invest idle cash and assist in debt service management.
- * Maintain and reconcile bank accounts used by the City and School Board.
- * Collect and deposit State income taxes and State estimated taxes.
- * Process and mail all original and delinquent personal property and real estate tax bills.
- * Maintain mortgage files so real estate taxes can be conveyed against escrowed funds for taxpayers.

Performance Measures

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Business Licenses Processed	819	825	830	830
Car Tax Refund Certifications	21,418	22,000	22,200	1,000*
Meals Tax Payments Processed	450	465	470	480
Personal Property Tax Tickets Processed	21,000	22,000	22,500	23,000
Real Estate Tax Tickets Processed	10,500	10,750	11,000	11,500
Sewer Account Payments Processed	21,500	21,750	22,000	33,000
Sewer Availability Contract Payments	3,400	3,200	3,000	800
Supplemental RE Tax Tickets Processed	250	250	275	275
Vehicle Decals Sold	13,912	14,500	15,500	0

*PPTRA is changing to a different type of system

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.
- * In FY 2007, the City will receive \$99,600 in State Categorical Aid towards expenses of this office.
- * Decrease in Operating Expenses due to discontinuation of decal program.

Program Accomplishments

- * The Treasurer's Office collected taxes on a timely basis. Collection rate for FY 2005 for taxes was 98% and 99% overall for all years.
- * The Poquoson Treasurer's Office received accreditation by the State.
- * The Treasurer was recertified as a Master Governmental Treasurer and the Deputy earned certification as a Master Governmental Deputy Treasurer.
- * Sent bills out early to improve cash flows.
- * Issued more warrants.
- * Invested City funds on a timely basis to maximize interest revenue. Idle funds were kept to a minimum.

FINANCE

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 190,561	\$ 193,712	\$ 244,240	\$ 266,610	\$ 22,370	9.2%
Operating Expenses	34,855	48,274	38,550	37,480	(1,070)	-2.8%
Capital Outlay	1,055	3,930	5,000	6,500	1,500	30.0%
Totals	\$ 226,471	\$ 245,916	\$ 287,790	\$ 310,590	\$ 22,800	7.9%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Director of Finance	1	1	1	1
Accountant	1	1	1	1
Accounting Analyst	1	1	1	1
Accounting Assistant	0	0	1	1
Part Time (FTE)	0.2	0.5	0	0
Totals	3.2	3.5	4	4



Goals and Objectives

- * Work with Federal Emergency Management Agency (FEMA) and Virginia Department of Emergency Management (VDEM) to finalize and close out all public assistance disaster claims for Hurricane Isabel.
- * Continue to oversee annual audit, risk management activities, and employee benefits; maintain and monitor all financial records; and prepare annual financial plan.
- * Continue to identify areas for cost savings on a City-wide basis.
- * Identify areas where City financial policies should be developed such as cash management, fund balance requirements, and equipment replacement.
- * Oversee preparation of the Capital Improvements Plan.

FINANCE

Major Departmental Functions

- * Oversee revenues and expenditures of government funds.
- * Maintain the City's financial records.
- * Prepare the City's annual operating budget.
- * Prepare the City's bi-weekly payroll and weekly accounts payable.
- * Handle the City's utility billing system.
- * Manage the City's Risk Management Program.
- * Administer employee benefits such as health insurance, retirement, life insurance and optional life insurance, flexible spending program, other optional benefits, and workers' compensation.
- * Provide assistance to independent auditors during the annual audit of City financial records.
- * Administer and maintain data processing functions.
- * Prepare financial reports at the direction of the City Manager.

Performance Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Accounts Payable Checks Issued	4,200	4,425	4,650	4,810
Payment Vouchers	4,600	4,900	5,200	5,350
Payroll Checks Issued	1,560	1,520	1,575	1,580
Payroll Direct Deposits	3,331	3,400	3,450	3,520
Deposits to Different Financial Institutions	17	16	16	18
Utility Bills Printed	18,529	18,546	27,840	28,400
Utility Customers	4,538	4,593	4,604	4,733
Utility Customers with Special Rates	50	47	50	68

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance and VRS contribution rate and group life insurance.
- * Increase in capital outlay due to purchase in FY 2007 of computer support equipment.

Program Accomplishments

- * Managed \$4,000,000 in additional contractual agreements and processed payments for Hurricane Isabel disaster recovery. Worked with FEMA representatives and VDEM in preparing 60 project worksheets for application for Federal and State reimbursements in funding of the disaster. Worked with insurance companies for reimbursement for damaged City properties.
- * Received the General Finance Officers Award, Certificate of Achievement of Excellence in Financial Reporting, and Distinguished Budget Presentation Award.
- * Refunded debt to achieve cost savings for the City, and secured a line-of-credit for the City to use to bridge federal and state reimbursements for disaster recovery.

RISK MANAGEMENT

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 6,753	\$ 21,544	\$ 51,686	\$ 116,709	\$ 65,023	125.8%
Operating Expenses	15,921	31,042	38,360	40,480	2,120	5.5%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 22,674	\$ 52,586	\$ 90,046	\$ 157,189	\$ 67,143	74.6%

Personnel Summary

N/A



Goals and Objectives

- * Work to minimize liability exposure and to seek coverage wherever exposure exists. Continue to stress the importance of safety programs and other preventive measures for reducing loss.
- * Work with departments on safety, conduct inspections and various types of safety training.

RISK MANAGEMENT

Major Departmental Functions

- * Contain expenses relating to the City's property, liability, and automobile insurance coverage for general administration departments.
- * Fund reclassification of positions in which salaries have fallen below market, sick leave termination pay and other fringe benefits that cannot be allocated to a particular department.
- * Fund Risk Management Consultant.

<u>Performance Measures</u>	<u>Year 2004 Actual</u>	<u>Year 2005 Actual</u>	<u>Year 2006 Estimated</u>	<u>Year 2007 Estimated</u>
<u>Worker's Compensation</u>				
Claims Filed	18	20	19	15
Loss Ratio	43.0%	33.0%	25.0%	22.0%
<u>General Liability</u>				
Claims Filed	5	2	2	0
Loss Ratio	2.9%	0.0%	0.0%	0.0%
<u>Auto Liability and No-Fault</u>				
Claims Filed	4	5	3	2
Loss Ratio	34.0%	50.0%	20.0%	10.0%
<u>Property</u>				
Claims Filed	2	10	2	2
Loss Ratio	9.2%	6.0%	3.0%	3.0%

Significant Budget Items

- * Personal services includes money for salary market adjustments and other unplanned salary expenditures in FY 2007.
- * Increased cost of premiums for insurance coverage is allocated to the respective City department.

Program Accomplishments

- * Continual protection of the City's assets through emphasis on safety, proper insurance coverage, and other preventive measures to minimize the adverse effects of accidental losses.

REGISTRAR / ELECTORAL BOARD

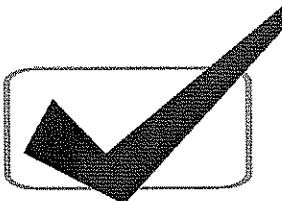
Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 80,041	\$ 86,461	\$ 89,310	\$ 96,700	\$ 7,390	8.3%
Operating Expenses	17,720	20,910	21,110	20,980	(130)	-0.6%
Capital Outlay	1,438	702	2,800	300	(2,500)	-89.3%
Totals	\$ 99,199	\$ 108,073	\$ 113,220	\$ 117,980	\$ 4,760	4.2%

* In Personal Services, a minimal amount is budgeted as a stipend to the three Electoral Board members in the amount of \$6,827.

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Registrar	1	1	1	1
Assistant Registrar	1	1	1	1
Part Time (FTE)	0.1	0.1	0.1	0.1
Totals	2.1	2.1	2.1	2.1



Goals and Objectives

- * Assist citizens in understanding requirements for voter registration, provide citizens with information and referral for services and inform citizens about absentee voting.
- * Project the integrity of the electoral process and efficiently conduct the elections in FY 2007 within the provisions of the Code of Virginia.
- * Assure that registration opportunities will be equally available to all Poquoson citizens and throughout the United States.
- * Maintain accurate and up-to-date voter records.
- * Increase voter registrations through use of National Voter Registration Act (NVRA).
- * Train Officers of Election so that they will be informed of duties on election day.
- * Assist candidates with filing requirements and verify Certificates of Candidate Qualifications, Declarations of Candidacy and all petitions filed by candidates or groups seeking a referendum.

REGISTRAR / ELECTORAL BOARD

Major Departmental Functions

- * Process registrations of residents not only in Poquoson but throughout Virginia.
- * Assist registrations at Poquoson High School, Bayside Convalescent Center and Dominion Village.
- * Maintain accurate records of all registered voters. Process and enter all registrations, deletions, and name and address changes into the Voter Registration System.
- * Oversee all elections and absentee voting ensuring that they are handled in accordance with Virginia Election Laws.
- * Verify Certificate of Candidate qualifications, Declarations of Candidacy and all petitions filed by candidates or groups seeking a referendum.
- * Verify results of each election and certify to State Board of Elections.
- * Recruit and train Officers of Election and schedule officers to work at each polling place.

<u>Performance Measures</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Registered Voters	8,208	8,202	8,532	9,092
New Registrants	314	314	334	485
Transferred In	228	286	350	450
Deletions	384	431	354	375
Changes in Address	241	386	325	375
Other Changes	220	171	150	200

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.
- * In FY 2007, the City will receive \$47,800 in State Categorical Aid for the Registrar and board members' salaries.

Program Accomplishments

- * Successfully conducted the Dual Primary Election.
- * Successfully conducted the November 2005 Gubernatorial General Election.
- * Successfully conducted a recount for the 2005 Attorney General's office.
- * Purchased touch screen voting machines in order to comply with the Help America Vote Act (HAVA).
- * Created a Central Absentee Precinct, which will simplify the Absentee voting process.
- * Worked with the State Board of Elections to verify voters received credit for voting in elections.
- * Researched and confirmed the National Change of Address list provided by the State Board of Elections.

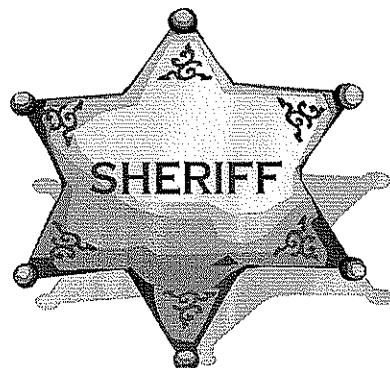
COURTS AND SHERIFF

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	179,546	180,184	254,860	225,990	(28,870)	-11.3%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 179,546	\$ 180,184	\$ 254,860	\$ 225,990	\$ (28,870)	-11.3%

Personnel Summary

N/A



COURTS AND SHERIFF

Major Departmental Functions

* This department includes the cost of judicial services which are shared with York County. Included are the pro-rated costs of the Commonwealth Attorney, Juvenile/Domestic Relations Court, services provided by the Clerk of the Court, Sheriff services, and certain capital and maintenance costs for the Court buildings. All court activity is located in Yorktown.



Significant Budget Items

- * York County sets the Poquoson courts and sheriff budget, and by legislation Poquoson pays 19.9% of the total budget.
- * Overall decrease of \$28,870 or 11.3% for the department.

<u>Budget Detail</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget
York/Poquoson Courthouse	\$ 90,377	\$ 64,199	\$ 132,998	\$ 103,248
Sheriff	77,713	103,891	106,492	107,056
9th District Court	6,880	7,440	6,800	7,600
Criminal Justice Planner	4,576	4,654	8,570	8,086
Totals	\$ 179,546	\$ 180,184	\$ 254,860	\$ 225,990

POLICE

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 1,334,014	\$ 1,456,223	\$ 1,610,110	\$ 1,829,300	\$ 219,190	13.6%
Operating Expenses	252,378	300,174	244,470	274,650	30,180	12.3%
Capital Outlay	67,015	46,441	25,500	17,300	(8,200)	-32.2%
Totals	\$ 1,653,407	\$ 1,802,838	\$ 1,880,080	\$ 2,121,250	\$ 241,170	12.8%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Police Chief	1	1	1	1
Lieutenant	1	1	1	1
Supervisor of Support Services	1	1	1	1
Sergeant/EMT	3	1	2	2
Sergeant	1	3	2	2
Detective/Sergeant	1	1	1	1
Detective	2	0	0	0
Corporal/EMT	1	1	1	0
Corporal	1	1	2	3
Master Patrolman/EMT	1	3	4	4
Master Patrolman	1	1	1	1
Police Officer/EMT	4	2	1	1
Police Officer	2	4	5	5
Dispatcher Supervisor	1	1	1	1
Dispatcher	3	3	3	3
Administrative Support Technician	1	1	1	1
Part Time Dispatcher (FTE)	1.1	1.5	1.5	1.5
Part Time Officer (FTE)	0.5	0.5	0.5	0.5
Totals	26.6	27	29	29

Goals and Objectives

- * Improve delivery of emergency services (Police, Fire, Medic) with the addition of a second dispatcher on duty during evening and night hours.
- * Enhance and upgrade physical security (video cameras) in City's Emergency 911 Communications Center.
- * Install video cameras in patrol vehicles to enhance officer safety and presentation of evidence in court.
- * Establish, equip and train specialized Traffic Safety Enforcement Unit.
- * Install GIS mapping capability in Emergency 911 Communications Center.

POLICE

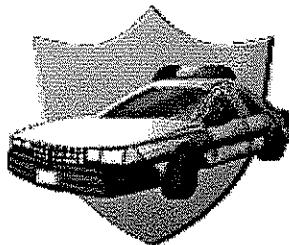
Major Departmental Functions

- * Enforce the laws of the Commonwealth of Virginia and the ordinances of the City of Poquoson.
- * Prevent and deter crime so as to provide for the public safety.
- * Preserve and maintain a safe and secure living and business environment in Poquoson.
- * Provide assistance and friendly service to all persons within the City.
- * Assist in providing on-scene emergency medical assistance to persons in need.

<u>Performance Measures</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Accidents	184	234	216	233
Arrests/Charges/Apprehensions	350	412	444	479
Calls for Service	5,603	5,938	5,646	6,097
First Responder Calls	348	423	340	367
Traffic Tickets	468	712	550	594

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance and additional funding for overtime.
- * Decrease in capital outlay due to funding for one replacement police vehicle.



Program Accomplishments

- * Obtained \$8,000 grant from the Department of Motor Vehicles to continue DUI enforcement.
- * Issued digital cameras to all detectives and patrolmen.
- * Continued tactical training for response to violence in the schools.
- * Established Special Operations Team for response to drug buy/bust incidents.
- * Trained patrol officers in methods of standard DUI sobriety testing.
- * Obtained Interoperability Radio System, new and back-up repeaters and new walkie-talkies for all employees.
- * Purchased portable radar trailer for traffic safety.
- * Certified an officer as EMT, trained an officer as armorer, recruited and trained an additional auxiliary officer.
- * Connected to regional criminal information sharing network (CRIMES/LINX).
- * Continued the Toys-for-Tots donation program in November and December.

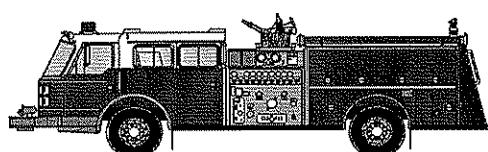
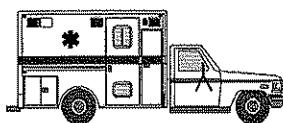
FIRE

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 1,534,258	\$ 1,594,761	\$ 1,753,320	\$ 1,951,105	\$ 197,785	11.3%
Operating Expenses	281,184	325,770	344,395	295,615	(48,780)	-14.2%
Capital Outlay	42,807	12,814	19,200	16,100	(3,100)	-16.1%
Totals	\$ 1,858,249	\$ 1,933,345	\$ 2,116,915	\$ 2,262,820	\$ 145,905	6.9%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Fire Chief	1	1	1	1
Assistant Fire Chief/Inspector	1	1	1	1
Fire Captain/Paramedic	1	1	1	1
Fire Captain/Inspector	0	0	1	1
Fire Captain	3	3	2	2
Fire Lieutenant/Paramedic	1	1	1	1
Fire Lieutenant/Cardiac Technician	1	1	1	1
Fire Lieutenant	1	1	1	1
Fire Engineer/Inspector	1	1	2	2
Fire Engineer	2	2	0	0
Fire Fighter/Paramedic	7	8	8	8
Fire Fighter/Cardiac Technician	3	4	5	5
Fire Fighter	4	2	2	2
Administrative Secretary	1	1	1	1
Totals	27	27	27	27



Goals and Objectives

- * Begin process to rebuild Fire Station #1 with completion in 2007.
- * Continue to improve Fire Prevention Program.
- * Continue improvements in Fire Training with concentration on basic skills.
- * Begin process to replace Medic 10 in conjunction with the Volunteer Rescue Squad.

FIRE

Major Departmental Functions

- * Provide twenty-four hour emergency services for fire suppression, ambulance service, rescue service, hazardous material spills, water rescue, and radiological monitoring.
- * Provide non-emergency services in fire prevention, education, and training.

<u>Performance Measures</u>	<u>FY 2004 Actual</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Estimated</u>	<u>FY 2007 Estimated</u>
Average Fire/EMT calls per month	138	127	136	146
Percentage Increase/(Decrease)	1.0%	5.0%	7.0%	7.0%
Training hours	3,897	1,524	1,600	1,680
Fire Calls:				
Structure Fire	52	33	40	48
Brush Fire	128	52	59	67
Miscellaneous Fire	369	246	255	264
Ambulance Calls:				
Advanced Life Support	494	570	598	628
Basic Life Support	353	558	586	616
Miscellaneous	259	66	94	123

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.
- * Overall decrease in operating expenses because of grants received in FY 2006. Grants are appropriated when notification is received. This decrease is offset by increased costs for vehicle and equipment repairs and fuel in the amount of \$8,024.
- * Decrease in capital outlay for FY 2007.

Program Accomplishments

- * Annual Emergency Medical Technician class completed in May.
- * Working closely with Building Inspections, performed business fire prevention inspections.
- * Gave fire prevention instruction and provided school tours on request.
- * Accepted delivery and put into service two new pumper fire trucks.

CORRECTIONS AND DETENTIONS

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	\$ 161,799	\$ 177,767	\$ 151,480	\$ 171,400	\$ 19,920	13.2%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 161,799	\$ 177,767	\$ 151,480	\$ 171,400	\$ 19,920	13.2%

Personnel Summary

N/A



Budget Detail	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget
Adult Detention	\$ 74,270	\$ 125,558	\$ 91,000	\$ 104,149
Juvenile Services				
Juvenile Detention	58,540	25,526	37,604	44,150
Family Group Homes	6,630	3,881	3,240	-
Project Insight	10,353	5,624	5,240	8,721
Community Supervision, Outreach				
Detention, Electronic Monitoring, House Arrest	12,006	17,178	14,396	14,380
Totals	\$ 161,799	\$ 177,767	\$ 151,480	\$ 171,400

CORRECTIONS AND DETENTIONS

Major Departmental Functions

- * The City of Poquoson shares the Regional Jail Authority with York County, James City County and the City of Williamsburg. Poquoson's financial share is determined by a per diem rate, which is the cost of the Authority's total expenditures divided by each locality's expected usage of the jail.
- * The City of Poquoson shares the Middle Peninsula Juvenile Detention Center with 18 other localities. Poquoson's financial share is based on a per diem rate for each day a juvenile offender from Poquoson is incarcerated.
- * Along with jail costs, other rehabilitative and correctional programs are accounted for in this department; which include Family Group Homes, Project Insight and other services.

<u>Performance Measures</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Adult Detention:				
Average Daily Population	10	13	6	8
Percentage of Use	n/a	n/a	1.70%	2.10%
Per Diem Rate	\$27.90	\$29.33	\$33.69	\$34.57
Juvenile Services:				
Juvenile Detention (Days)	247	212	288	325
Per Diem Rate	\$137.55	\$137.55	\$130.57	\$133.68
Crossroads (Child Care Days)	229	7	180	180
Comm Supervision (Child Care Days)	114	57	50	48
Outreach (Child Care Days)	133	65	90	120
Electronic Monitoring (Child Care Days)	46	112	90	120
Project Insight (Hours)	1,437	2,728	600	650

Significant Budget Items

- * It is estimated that the cost of adult detention will increase in FY 2007 based on the Virginia Peninsula Regional Jail Authority cost formula based on an overall percentage of use history rather than the current usage.
- * Juvenile services costs are expected to be \$67,251 in FY 2007 or an increase of \$6,771 from FY 2006.

INSPECTIONS

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 93,286	\$ 179,648	\$ 213,900	\$ 218,650	\$ 4,750	2.2%
Operating Expenses	16,226	15,707	14,540	16,120	1,580	10.9%
Capital Outlay	746	19,988	1,600	2,200	600	37.5%
Totals	\$ 110,258	\$ 215,343	\$ 230,040	\$ 236,970	\$ 6,930	3.0%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Building Official	0	1	1	1
Code Inspector	1	1	1	1
Inspector II	0	0	1	1
Technical Assistant	1	1	0	0
Secretary	0	0	1	1
Part Time (FTE)	0.1	0.1	0	0
Totals	2.1	3.1	4	4



Goals and Objectives

- * Complete the automation of the permitting and inspection reporting processes to strive towards "real time" reporting.
- * Provide additional training opportunities for inspection and clerical staff.
- * Work towards the automation of information for individual parcels of land into one central file per parcel.
- * Upgrade and automate the plan review process.
- * Divide the city into separate grids to promote the enforcement of property maintenance and to provide a clean community.
- * Have the Building Official attend the VAZO conference and become a certified Zoning Administrator.
- * Attend the Association of State Flood Plain Managers Conference in 2006 and promote the City of Poquoson at the conference to be held in 2007.

INSPECTIONS

Major Departmental Functions

- * Ensure that all construction in the City is in accordance with the Code of Virginia and the Poquoson City Code through examination of construction plans and architectural drawings and by on-site inspections of construction in progress.
- * Respond to questions concerning building codes and other regulations.
- * Process building, electrical, plumbing, mechanical, driveway, land disturbance and demolition permits.
- * Verify that contractors are properly licensed and bonded with the State Board of Contractors and hold a current business license.
- * Enforce zoning and subdivision regulations relating to construction and code compliance in areas of weeds, debris, inoperative vehicles, dilapidated buildings, construction violations and Chesapeake Bay ordinance violations.
- * Enforce flood zone requirements. Ensure construction and equipment conform to FEMA regulations.
- * Issue initial street addresses and make necessary changes to existing homes and buildings to ensure all homes and buildings have the correct street numbers posted.

Performance Measures

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Building Permits Issued	326	473	581	586
Certificate of Occupancies Issued	58	74	85	95
Code Violations Cited & Enforced	300	300	450	500
Inspections Performed	8,064	3,280	3,773	3,850
Meetings with Contractors	539	270	300	300
Plans Reviewed	500	484	590	595
Other Permits (Elect, Plumbing, Mech, etc.)	900	999	1,236	1,250

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.

Program Accomplishments

- * The department worked closely with FEMA and with Floodplain Management Association in assisting citizens during and in the aftermath of Hurricane Isabel.
- * Staff attended several building code standard classes throughout the year.

ANIMAL CONTROL

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	\$ 53,090	\$ 90,600	\$ 69,540	\$ 67,780	(1,760)	-2.5%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 53,090	\$ 90,600	\$ 69,540	\$ 67,780	\$ (1,760)	-2.5%

Personnel Summary

N/A



Goals and Objectives

- * Continue efforts to prevent animal suffering and to provide a sound foundation of animal care and knowledge so that people and animals can live compatibly in our community.
- * Train humane officers in mandated animal control training school.
- * Answer citizen complaints involving wild as well as domestic animals.
- * Enforce animal control and cruelty laws and ordinances of the City of Poquoson, issuing summonses for violations of any applicable ordinances.
- * Pick up dogs running loose and dead animals on public roadways and dispose of animals.
- * Continue to enforce dog licensing law which requires proof of rabies, one of the most effective means of limiting the number of rabies cases.
- * Determine feasibility of opening a spay/neuter clinic at the Society for the Prevention of Cruelty to Animals (SPCA) site.

ANIMAL CONTROL

Major Departmental Functions

- * Animal Control is handled by Newport News Animal Control. The officers pick up dogs running loose and licensed dead animals on public roadways.
- * The Peninsula SPCA shelters animals for Poquoson. The cost formula is that Poquoson pays 100% for stray animals and 67% of surrendered animals.

Budget Detail	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget
SPCA	\$ 53,090	\$ 37,057	\$ 37,135	\$ 34,920
Newport News Animal Control	-	53,543	32,405	32,860
Totals	\$ 53,090	\$ 90,600	\$ 69,540	\$ 67,780

Significant Budget Items

- * Minimal decrease in contracted services for FY 2007.

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Complaints Received	356	415	195	200
Deceased animals on City roads	84	165	12	12
Dogs Impounded	85	140	45	40
Impounded Dogs Reclaimed	20	40	24	21
Impounded Dogs Adopted	32	55	11	12
Hours Spent on Patrol	1,854	1,760	147	145
Poquoson Dogs and Cats Surrendered	199	550	116	120
Poquoson Dogs and Cats Adopted	145	310	55	60

ENGINEERING

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 148,906	\$ 170,811	\$ 96,660	\$ 105,570	\$ 8,910	9.2%
Operating Expenses	13,869	21,186	8,200	13,090	4,890	59.6%
Capital Outlay	2,600	3,412	-	1,500	1,500	n/a
Totals	\$ 165,375	\$ 195,409	\$ 104,860	\$ 120,160	\$ 15,300	14.6%



Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Director of Engineering & Utilities	1	1	1	1
Civil Engineer I	1	1	0	0
Administrative Secretary (FTE)	0.50	0.50	0	0
Part Time (FTE)	0.35	0.35	0	0
Totals	2.85	2.85	1	1



Goals and Objectives

- * Continue development of GIS database, participate with local cities in group meetings, Phase II NPDES reporting, initiate transfer of NPDES construction permits from DCR to city staff.
- * Regulate and control all work that takes place within the City's right-of-way to ensure it complies with city and state standards, control land disturbing activities through Erosion & Sediment Control Ordinance.
- * Update the City's construction standards through coordination with Hampton Roads Planning District Commission and improve plan review and site inspection of commercial and subdivision construction.
- * Continue improvements to South Lawson Park, initiate upgrade of Pump Station #2, continue Oxford Run widening, plot all large stormwater discharges of 36 inches or higher.
- * Expedite acceptance of new subdivisions,
- * Continue development of City storm water management plan, establish drainage improvement policies and illicit discharge ordinance, obtain level seven classification rating of the National Flood Insurance Plan.

ENGINEERING

Major Departmental Functions

- * Review all new subdivision, commercial and municipal construction plans to ensure conformance with all City and State ordinances and policies.
- * Oversee the National Flood Insurance Program's Community Rating System Program.
- * Oversee contract administration, construction design and management, and inspection of all City construction projects.
- * Respond to inquiries/complaints concerning utilities, drainage, development standards, roadways, etc.
- * Monitor all land disturbing activities and all work performed in the City's right-of-way.
- * Participate on various Hampton Roads Planning District Commission boards and committees, Virginia Peninsulas Public Service Authority boards and other civic organizations.
- * Operate the City's garbage bag exemption and special pickup programs for solid waste pickup.
- * Develop a GIS database and participate with local cities in user's group meetings.
- * Manage environmental permits for City projects.
- * Manage City's Phase II NPDES Stormwater Management Program.

<u>Performance Measures</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Capital Projects	15	15	16	17
Citizen Inquiries/Request Information	4,900	4,800	5,000	5,500
Drainage Inspected (Feet)	23,000	22,000	24,000	25,000
Driveway Entrance Permits	72	75	82	85
Land Disturbing Permits	76	81	80	90
Right-of-Way Permits	123	107	150	150
Sewer Inspected (Feet)	3,400	6,418	3,300	3,500
Site Plans Reviewed	17	15	20	25
Special Projects	14	14	14	15
Streets Inspected (Feet)	8,600	22,068	8,900	9,100
Subdivision Plans Reviewed	15	15	15	15

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.
- * Increase in operating costs due to increases in utilities associated with department's move to modular building and motor vehicle service and maintenance.

Program Accomplishments

- * Updated National Flood Insurance Program's Community Rating System.
- * Completed design and construction of Messick Point boat ramp and parking facility.
- * GIS program development, including installation of 60 horizontal and vertical reference marks.
- * Designed and constructed East Messick Pocket Park, upgraded South Lawson Park, accepted Bull Run Subdivision infrastructure.
- * Completed Virginia Pollutant Discharge Elimination System (VPDES) Phase II report for Department of Environmental Quality (DEQ), worked to obtain approval for new King William Reservoir.

PUBLIC WORKS

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 598,529	\$ 673,155	\$ 738,180	\$ 786,600	\$ 48,420	6.6%
Operating Expenses	108,968	119,909	115,020	136,760	21,740	18.9%
Capital Outlay	89,839	81,026	85,000	83,300	(1,700)	-2.0%
Totals	\$ 797,336	\$ 874,090	\$ 938,200	\$ 1,006,660	\$ 68,460	7.3%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Director of Public Works	1	1	1	1
Deputy Director of Public Works	1	1	1	1
Construction Inspector	1	1	1	1
Equipment Operations Foreman	1	1	1	1
Equipment Operator III	1	1	2	1
Equipment Operator II	0	1	1	1
Equipment Operator I	2	1	0	1
Maintenance Worker III	3	2	3	3
Maintenance Worker II	1	2	0	0
Maintenance Worker I	3	3	4	4
Secretary (FTE)	0.5	0.5	0.5	0.5
Totals	14.5	14.5	14.5	14.5

Goals and Objectives

- * Oversee construction and maintenance of all City streets in accordance with Virginia Department of Highways and Transportation standards to ensure safe vehicle operation for all motorists.
- * Maintain all City public right-of-ways to create a positive City image and promote safety and environmental quality throughout the City. Maintenance includes cleaning streets twice a year, mowing grass and medians during normal growing season, beautification and maintenance of landscaped areas.
- * Scheduling infrastructure maintenance using the departmental computer system.
- * Schedule at least one in-house training session per month. Sessions train employees for more versatility in infrastructure maintenance, "on and off the job" safety issues, and teach correct procedures for performance of specific tasks.
- * Produce in-house work procedure videos to train employees in safe and efficient ways to complete jobs.
- * Continue to complete 100% of all work orders within the same week of receipt of request.
- * Use time factors for each job in Public Works Department to assist in estimating work completion time and scheduling.
- * Continue to upgrade roadside and outfall drainage systems throughout the City according to drainage study.
- * Return the City's infrastructure back to pre-Hurricane Isabel condition.

PUBLIC WORKS

Major Departmental Functions

- * Construct and maintain all City streets to Virginia Department of Transportation standards. Perform preventative maintenance on City streets to maximize expected life including timely shoulder maintenance, street restoration, pothole repair, paving, and drainage maintenance.
- * Keep roadside drainage ditches clean to eliminate standing water breeding mosquitoes and to reduce pavement failure.
- * Keep curb and gutters clean to reduce stoppages and improve pavement life.
- * Maintain road shoulders by placing stone along edge of pavement, mowing grass and policing litter.
- * Maintain traffic control devices, traffic lines, traffic lights, traffic signs and no wake signs in the local waterways.
- * Provide safe travel for the public on City right-of-ways including keeping streets clear of snow and ice.
- * Oversee and perform structural, electrical, plumbing and mechanical repairs to all City-owned facilities.
- * Review new construction plans and perform construction inspections on all new construction.

Performance Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Street Maintenance:				
Asphalt Material Used for Patching (tons)	91	227	120	150
Asphalt Paving Material Applied (tons)	2,646	2,792	3,500	3,000
Delivery of cases of Green Bags	1,176	1,154	1,200	1,200
Installation of New Drainage Pipe (feet)	372	402	375	400
Pavement Crack Sealing (lbs)	0	100	800	1,500
Regrading of Roadside Ditches (feet)	31,764	29,361	32,000	33,000
Stone Used for Street Maintenance (tons)	1,193	604	2,000	1,500
Work Orders Completed	190	157	160	170
Construction Inspections Performed:				
Driveways	71	88	75	75
Erosion & Sediment Control	63	82	60	50
Sewer	12	6	25	25
Curb & Gutter (feet)	11,573	15,288	11,000	12,000
Sanitary Sewer Pipeline (feet)	3,485	5,619	3,100	3,200
Storm Pipe & Drainage Ditches (feet)	4,687	6,418	5,000	5,100
New Street Construction (feet)	3,273	22,066	3,500	3,600

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.

Program Accomplishments

- * The department is still working to assist the City's recovery from Hurricane Isabel, cleaning outfall and roadside ditches City wide.
- * Widened shoulders on Wythe Creek Road from City limit to Oxford Run to improve pedestrian and bicycle safety, installed crossing and fire truck turnaround at City's BMP next to Oxford Run.
- * Cleared and graded Messick Road Pocket Park and installed parking area.
- * Corrected drainage problem at Bull Run detention pond.
- * Supplemented equipment budget with on-line auction sales of old, replaced equipment.

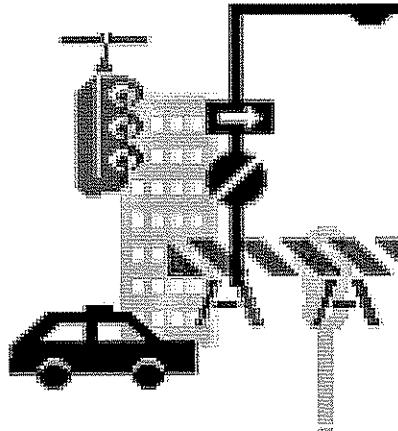
STREET LIGHTS

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	49,234	53,866	62,000	65,000	3,000	4.8%
Capital Outlay	2,082	-	3,000	3,000	-	0.0%
Totals	\$ 51,316	\$ 53,866	\$ 65,000	\$ 68,000	\$ 3,000	4.6%

Personnel Summary

N/A



Goals and Objectives

* Provide electricity for the City streetlights in order to maintain a safe community.

STREET LIGHTS

Major Departmental Functions

- * This department contains funding for electricity for existing streetlights and the installation of new streetlights. Developers pay the cost of installing streetlights in new subdivisions. The City is responsible for paying the cost of installing new streetlights in already developed areas.
- * This department also provides funding for electricity for the Christmas lights along Wythe Creek Road, which are illuminated during the holiday season and are maintained by the Public Works Department.

Performance Measures

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Number of Street Lights	502	507	528	542
New Lights Installed:				
City Installed	3	2	2	2
Developer Installed	3	0	19	12

Program Accomplishments

- * Provided the necessary electrical services essential for public safety.
- * Arranged for Dominion Virginia Power to replace burnt out light bulbs in the City.

GENERAL PROPERTIES

Expenditures Summary

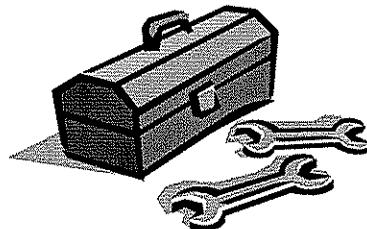
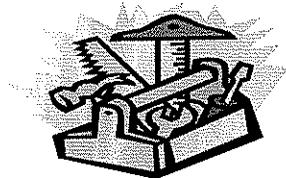
	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Operating Expenses	95,751	85,964	158,650	100,320	(58,330)	-36.8%
Capital Outlay	13,021	18,869	12,500	15,500	3,000	24.0%
Totals	\$ 108,772	\$ 104,833	\$ 171,150	\$ 115,820	\$ (55,330)	-32.3%

Personnel Summary

N/A

Goals and Objectives

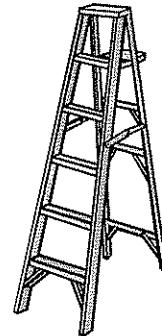
* Maintain and clean the City Hall complex for use of staff and citizens of the City of Poquoson.



GENERAL PROPERTIES

Major Departmental Functions

- * Fund the operation of the City Hall building including common areas shared with the Library and School Board Office.
- * A portion of this department's cost is supported by the Poquoson School Administration's rent of \$23,800 per year.
- * Operating items include general liability and property insurance; building heating, ventilation, and air conditioning repairs; utilities including electricity, natural gas, water and sewer; building and grounds maintenance; and janitorial services and supplies.



Significant Budget Items

- * Decrease in operating costs due to one-time costs associated with the modular building in FY 2006.

HEALTH DEPARTMENT

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	\$ 39,103	\$ 42,966	\$ 45,201	\$ 47,010	\$ 1,809	4.0%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 39,103	\$ 42,966	\$ 45,201	\$ 47,010	\$ 1,809	4.0%

Personnel Summary

N/A



Goals and Objectives

* Continue to provide funding for the City's use of the regional Public Health Department's services as well as \$200 for the cost of the medical examiner.



HEALTH DEPARTMENT

Major Departmental Functions

- * Provide for the City's contribution to the York/Poquoson Health Department, an organizational unit of the Peninsula Health District. The Peninsula Health District is funded through a cooperative agreement between its five local governments and the Commonwealth of Virginia. The City's minimum "match" requirement is 32.545%.
- * The Health Department offers a wide range of preventative, diagnostic and rehabilitative medical and health services to City residents. Clinics are held regularly for family planning, immunization, pediatrics, and senior citizen medical exams, among others. Nurses provide home care for homebound patients. Sanitarians inspect all eating establishments, train food handlers, supervise the installation and proper operation of septic tanks, inspect housing, and provide rabies surveillance for all animal bites.
- * The Health Department has a mobile unit that visits Poquoson on a once a month basis to provide services in a closer location to the citizens of Poquoson.



MOSQUITO CONTROL

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 86,099	\$ 93,346	\$ 100,850	\$ 110,970	\$ 10,120	10.0%
Operating Expenses	63,764	76,420	79,250	83,550	4,300	5.4%
Capital Outlay	36,503	3,465	2,300	1,300	(1,000)	-43.5%
Totals	\$ 186,366	\$ 173,231	\$ 182,400	\$ 195,820	\$ 13,420	7.4%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Mosquito Control & Drainage Supervisor	1	1	1	1
Equipment Operator I	1	1	1	1
Part Time (FTE)	0.1	0	0	0
Totals	2.1	2.0	2.0	2.0



Goals and Objectives

- * Obtain drainage easements in areas where outfall ditches need to be upgraded.
- * Have property owners remove obstructions from drainage easements to allow proper cleaning with City equipment.
- * Educate the public on mosquito prevention and how important it is to keep drainage easements free of obstructions.
- * Continue to stress on and off the job safety through departmental training.
- * Improve drainage maintenance and mosquito prevention with additional manpower and equipment.
- * Have all drainage systems be constructed of cement swales and/or cement pipes.
- * Continue to use contracted labor to assist in the maintenance of outfall ditches.
- * Re-instate the City's blanket permit with the Army Corps of Engineers so the cleaning of outfall ditches in tidal areas can be accomplished.

MOSQUITO CONTROL

Major Departmental Functions

- * Provide good drainage in the City's right-of-ways to improve pavement life.
- * Eliminate or treat standing water to reduce mosquito breeding.
- * Keep outfall drainage ditches clean to improve water runoff from streets and reduce property flooding.
- * Spray mosquito adulticide and larvacide to reduce chance of infectious diseases carried by mosquitoes.
- * Provide education of employees by attending job related meetings, conventions and in-house training.

Performance Measures

	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Cleaning Outfall Ditches by Hand (Feet)	77,845	57,775	55,000	58,000
Cleaning Outfall Ditches with Equip (Feet)	4,550	2,299	3,000	3,500
Drainage Pipe Installed (Feet)	372	402	350	400
Drainage Structures Maintained	310	310	315	315
Larvicide for Mosquito Control (Pounds)	25	5	10	10
Mosquito Spray Applied (Gallons)	100	100	110	110
Regrading of Roadside Ditches (Feet)	10,500	29,361	25,000	30,000
Weed Killer Applied (Gallons)	25	25	30	30



Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.

Program Accomplishments

- * Increased number of outfall drainage ditches cleaned over the past year.
- * Provided education programs at the Public Library on mosquito awareness and prevention.

MENTAL HEALTH

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	113,345	123,504	136,210	149,660	13,450	9.9%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 113,345	\$ 123,504	\$ 136,210	\$ 149,660	\$ 13,450	9.9%

Personnel Summary

N/A

Goals and Objectives

- * Provide funding to Colonial Services Board for Poquoson's share of needed programming for mental health, mental retardation, or substance abuse.
- * Provide services for outreach detention, community supervision, and Crossroads Teen House.

MENTAL HEALTH

Major Departmental Functions

- * Provide the City's contribution to the Colonial Services Board, a regional agency that provides overall administration and coordination of mental health, mental retardation and substance abuse programs for Poquoson, York County and James City County. Services include psychiatric evaluation and treatment, individual and group counseling, drug and alcohol abuse treatment, vocational workshops for the developmentally disabled, special education and rehabilitation programs for handicapped children. Local funding is shared according to a predetermined formula. Funding for administrative expenses is based on 20% of the City's population and 80% on current utilization figures. The Headquarters for the Colonial Services Board is located in Williamsburg.
- * Provide for City contribution to the Crossroads Teen House, located in Williamsburg, which serves youth who are removed from a home setting but for whom traditional institutional care would not be appropriate.

<u>Budget Detail</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget
Colonial Services Board	\$95,500	\$100,412	\$109,440	\$117,490
Crossroads Programs	17,845	23,092	26,770	32,170
Totals	\$113,345	\$123,504	\$136,210	\$149,660

Significant Budget Items

- * The projected increase in operating costs is due to increased cost of Colonial Services Board services provided to Poquoson citizens and increased cost of the Crossroads Programs.

WELFARE / SOCIAL SERVICES

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	323,059	487,215	544,892	517,800	(27,092)	-5.0%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 323,059	\$ 487,215	\$ 544,892	\$ 517,800	\$ (27,092)	-5.0%

Personnel Summary

N/A

Goals and Objectives

- * Maintain the current level of services to our citizens.
- * Increase federal reimbursement through revenue maximization projects in order to offset State general fund reductions.
- * Reduce local match requirements.

WELFARE / SOCIAL SERVICES

Major Departmental Functions

* This department funds the Peninsula Agency on Aging, Social Services, Department of Medical Assistance Service, and Comprehensive Services Act .

Budget Detail	FY 2004	FY 20045	FY 2006	FY 2007
	<u>Actual</u>	<u>Actual</u>	<u>Revised Budget</u>	<u>Adopted Budget</u>
Peninsula Agency on Aging	\$ 3,213	\$ 2,757	\$ 2,400	\$ 2,500
Social Services	88,869	93,088	96,045	100,800
Department of Medical Assistance	1,480	1,227	2,942	2,500
Comprehensive Services Act	229,497	390,143	443,505	412,000
 Totals	 <u>\$ 323,059</u>	 <u>\$ 487,215</u>	 <u>\$ 544,892</u>	 <u>\$ 517,800</u>

Significant Budget Items

* Comprehensive Services costs can fluctuate depending on the number of caseloads and type of treatment. Projections indicate that this will be \$412,000 in FY 2007. The State share of expenses is 72.13% of qualified expenses and the City share is 27.87%. FY 2007 local cost to the City is \$115,000 for CSA.

SCHOOL CONTRIBUTION

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Operating Expenses	\$ 7,070,000	\$ 7,256,200	\$7,456,200	\$ 7,880,000	\$ 423,800	5.7%
Totals	\$ 7,070,000	\$ 7,256,200	\$7,456,200	\$ 7,880,000	\$ 423,800	5.7%

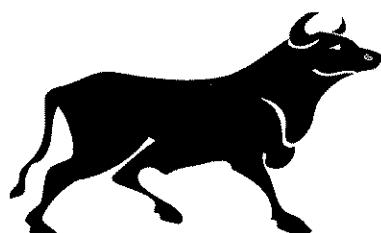
Personnel Summary

N/A



Goals and Objectives

- * Provide a curriculum that meets the goals and objectives of the mandated State Standards of Learning (SOL).
- * Increase student achievement, which can be evidenced by scores on the Virginia State Assessment program.
- * Maintain a safe, comfortable environment which allows for diversity among individuals.
- * Encourage professionalism and mutual respect among staff, students, and the community.



Poquoson High School Mascot

SCHOOL CONTRIBUTION

Major Departmental Functions

* City Council appoints a seven member School Board to administer the Poquoson City School system. The School Board is the policy making body for the school system and appoints the School Superintendent who is responsible for the day-to-day administration of the schools. Funding for the operation of the schools and administration is shared by the State and the City with some limited assistance from the Federal government. The State's funding is determined by a formula based on Poquoson's composite index which generally measures local effort and ability to pay.

Performance Measures

Poquoson students consistently score above the State average on the SOL tests. These tests are administered to third, fifth, eighth, and ninth through twelfth grade students each Spring. Scores for the various subject areas and grades range from a pass rate of 76% to 100%.

Significant Budget Items

- * The FY 2007 Budget funds \$7,880,000 of the \$8,089,792 School request, a shortage of \$209,792. The School's budget is based on an average daily membership of 2,576 students for the FY 2007 school year.
- * The School's overall budget of \$7,880,000 is an increase of \$324,896 or about 4.3% above the FY 2006 budget. This budget reflects the School Board's commitment to attract and retain the best teachers by including a 5% salary increase for teachers. Paraeducators, clerical staff and nurses will receive an additional one dollar-per-hour increase as a market adjustment. The School's budget does not project additional staff positions for FY 2007.
- * The FY 2007 Budget includes funds to cover significant increases in VRS costs, projected 15% increase in health insurance, reintroduction of Group Life Insurance, and substantial increase in transportation and instructional costs.

Program Accomplishments

- * Maintained a high percentage of high school graduates who pursue post secondary education.
- * Continued among the highest SOL test scores in the State.
- * Continued commitment to provide technology training for all staff members.
- * Expanded the use of technology in the classroom, improved networking capabilities, and added significant computer hardware.

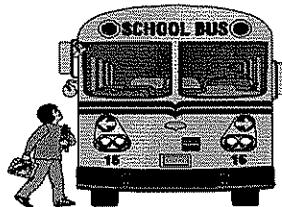
SCHOOL CAPITAL CONTRIBUTION

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Capital Outlay	\$ 120,608	\$ 54,863	\$ 98,904	\$ -	n/a	n/a
Totals	\$ 120,608	\$ 54,863	\$ 98,904	\$ -	n/a	n/a

Personnel Summary

N/A



Goals and Objectives

* Purchase school bus from any unspent School funds at the end of FY 2006.

SCHOOL CAPITAL CONTRIBUTION

Major Departmental Functions

* The department accounts for occasional transfers to the Schools for capital purchases. The majority of School capital needs are accounted for in the Capital Projects Fund.

Significant Budget Items

* The Schools are required by City Charter to return any unspent funds of the Schools to the City at the end of the fiscal year. Any unspent FY 2006 funds will be appropriated in FY 2007 for the purchase of school buses and other capital improvements. This will be handled with a supplemental budget appropriation.

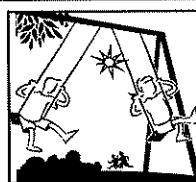
PARKS & RECREATION

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 142,909	\$ 153,723	\$ 163,250	\$ 205,390	\$ 42,140	25.8%
Operating Expenses	93,540	106,493	106,180	121,350	15,170	14.3%
Capital Outlay	5,112	1,738	3,100	9,700	6,600	212.9%
Totals	\$ 241,561	\$ 261,954	\$ 272,530	\$ 336,440	\$ 63,910	23.5%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Director of Parks & Recreation	1	1	1	1
Parks Maintenance Supervisor	1	1	1	1
Program Specialist	0	0	0	0.5
Parks Maintenance Worker	1	1	1	1
Part Time (FTE)	0.5	0.5	0.2	0.2
Totals	3.5	3.5	3.2	3.7



Goals and Objectives

- * Provide the City of Poquoson a comprehensive system of parks, recreation, and leisure services that are of the highest quality and most beneficial to improving the quality of life for its citizens.
- * Continue to develop and implement a comprehensive maintenance program for recreation, park, municipal, and school facilities.
- * Continue to renovate and upgrade park athletic facilities to meet expected increases in use. Efforts include core aeration, seeding, fertilizing, grading and adding needed infield mix to ballfields.
- * Improve the current system to serve the public for program registration, information distribution, facilities scheduling and tracking participant satisfaction. Develop a telephone call-in registration system with the ability to accept credit card payments.
- * Continue to work with the Parks & Recreation Advisory Board for the implementation of strategies identified in the Parks & Recreation Master Plan.
- * Update the Parks and Recreation Master Plan and City Comprehensive Plan to reflect current changes and citizen needs.
- * Continue to plan for needed recreational facilities in the Capital Improvements Plan.

PARKS & RECREATION

Major Departmental Functions

- * Plan, coordinate, organize and administer a variety of programs, activities and special functions to meet the needs of Poquoson citizens.
- * Care for and maintain 36 acres of recreation, park and municipal property; this includes 8 baseball/softball fields, 7 soccer fields, 2 football fields, 3 tennis courts, 3 playgrounds, 4 picnic areas, Municipal Park Community Center, the 200,000 gallon municipal swimming pool and the City's public boat launching facilities.
- * Coordinate departmental/school/independent league/community group activities at park/recreational/school facilities.

<u>Performance Measures</u>	<u>FY 2004 Actual</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Estimated</u>	<u>FY 2007 Estimated</u>
Programs Offered	190	200	205	210
Facilities Maintained	51	51	51	51
Leagues Supported	27	27	27	27
Games Scheduled/Played	1,778	1,785	1,780	1,784

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance and increased cost of .5 for a full time position shared with Community Relations and Events Office.
- * Increase in capital outlay due to replacement of a 7 year old lawn mower and a 12 year old tractor.

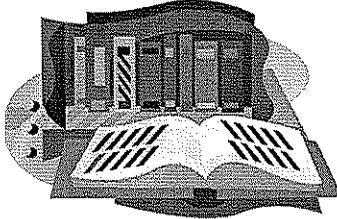
Program Accomplishments

- * Developed and administered long-range and short-term recreational, park, municipal and school maintenance and usage calendars.
- * Introduced new innovative programs such as adventure camp, Diner's Club, and jewelry making.
- * Prepared facilities for 3 soccer, 66 softball, 245 baseball, and 27 field hockey games.
- * Continued work on master plan for South Lawson Park and a site for a new neighborhood park for the Messick area.
- * Updated the recreation section of the City's Comprehensive Plan.
- * Developed a new blueway and trail plan for the City.
- * Renovated Kids Island playground.
- * Began renovation of Municipal Park.

LIBRARY

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 331,565	\$ 360,322	\$ 403,210	\$ 421,850	\$ 18,640	4.6%
Operating Expenses	79,183	86,178	87,640	93,750	6,110	7.0%
Capital Outlay	112,447	122,214	142,639	125,300	(17,339)	-12.2%
Totals	\$ 523,195	\$ 568,714	\$ 633,489	\$ 640,900	\$ 7,411	1.2%



Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Library Director	1	1	1	1
Senior Library Associate/System Admin	1	1	1	1
Library Associate	2	2	2	2
Secretary	1	1	1	1
Library Associate (FTE)	1	1	1.5	1.5
Senior Library Assistant (FTE)	1.25	1.25	1.45	1.45
Library Assistant (FTE)	2.70	2.70	3.00	3.00
Library Page (FTE)	0.50	0.50	0.50	0.50
Totals	10.45	10.45	11.45	11.45

Goals and Objectives

- * Continue to develop the Library's resources and services to meet the educational, informational, and leisure needs of the community.
- * Provide informational and cultural programs to enhance life in the community.
- * Upgrade the text-based computer operating system to a window-based one to provide patrons web search capabilities, with enhanced graphical searches, pre-formulated links, book jackets and reviews, etc.

LIBRARY

Major Departmental Functions

- * Operate as a free public lending facility with reading materials for all ages, including classics, reference material and popular reading. Besides books, the Library offers audiotapes, videotapes, compact discs, DVD's, online research databases, Internet access, and more.
- * Serve as a community activities center where exhibits, workshops, book talks, storytimes, poetry readings, musical performances, reading clubs and other programs and activities for adults and children are offered.
- * Provide meeting facilities and information on community issues and services.
- * Work with the Library Advisory Board, Friends of the Library, library volunteers, and local business partners to encourage library usage in the community.
- * Encourage pre-schoolers to develop an interest in reading and learning through services for children and for parents and children together.
- * Support students in their educational needs with the various public library/school cooperative programs.
- * Promote life long learning.

Performance Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Active Library Members	11,870	12,073	12,000	12,000
Attendance at Library Programs	8,767	9,719	10,000	10,000
Circulation	179,276	181,360	190,000	190,000
Interlibrary Loans	107	102	100	100
Internet, CD-ROM, etc. Usage	16,600	17,096	18,000	18,000
Items Purged	5,294	5,132	5,000	5,000
Library Visits	126,738	126,113	120,000	120,000
Meeting Room Usage	1,113	921	1,000	1,000
New Items added to Collection	6,254	6,344	7,000	7,000
Overdue Items Retrieved	3,850	3,868	3,700	3,800
Reading Material Reserves	6,251	6,276	6,800	6,200
Documents Notarized	279	305	350	350
Web Page Hits	3,412	4,812	20,000	30,000

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.
- * In FY 2007, the City will receive \$122,680 in State Other Categorical Aid for purchase of books, videos, subscriptions and professional salaries.

Program Accomplishments

- * Hennen's American Library Ratings again ranked Poquoson Public Library as 3rd best in Virginia and 34th best in the nation.
- * A new innovative educational program, "Babygarten", for children under 2 years, began in partnership with Poquoson Kiwanis Club.
- * Friends of Poquoson Public Library were awarded the 2005 Virginia Library Association Friends Award.

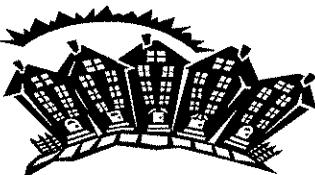
PLANNING

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 20056 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 188,849	\$ 169,649	\$ 287,710	\$ 304,200	\$ 16,490	5.7%
Operating Expenses	88,161	33,450	30,080	28,840	(1,240)	-4.1%
Capital Outlay	1,896	18,265	4,900	3,900	(1,000)	-20.4%
Totals	\$ 278,906	\$ 221,364	\$ 322,690	\$ 336,940	\$ 14,250	4.4%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Coordinator of Community Development	0	0	1	1
Planning & Community Dev Director	1	1	0	0
Planner/Deputy Zoning Administrator	1	1	0	0
Planner I	0	0	1	1
Civil Engineer I	0	0	1	1
Environmental Compliance Officer	1	1	1	1
Administrative Secretary (FTE)	0.5	0.5	1	1
Part Time (FTE)	0.1	0.1	0.45	0.45
Totals	3.6	3.6	5.45	5.45



Goals and Objectives

- * Assist the IDA, City Manager, and City Council in the acquisition of land in the Big Woods for future development.
- * Continue to lead the Development Review Committee in processing development plans and Environmental Management Ordinance development.
- * Assist in the development of a GIS Program for the City.
- * Continue to seek grants in conjunction with adherence to the Chesapeake Bay Ordinance.
- * Work with the Virginia Department of Transportation in planning for City roadway improvements.
- * Continue to work with Hampton Roads Planning District Commission in monitoring development of regional planning practices and issues.
- * Continue to update City land use ordinances to reflect the City's economic development needs and trends.
- * Assist in the adoption of the updated 2005-2009 Comprehensive Plan.
- * Strive to provide professional, expeditious, thorough, accurate and courteous service to the public on local, State and federal land use regulations.

PLANNING

Major Departmental Functions

- * Update and administer City land use ordinances including Zoning Ordinance, Subdivision Ordinance, Erosion & Sediment Control Ordinance, Site Plan Ordinance, Wetlands Ordinance and Sign Ordinance.
- * Prepare special project studies as assigned by the City Manager.
- * Provide technical assistance to other departments, real estate agents, developers, contractors, and citizens. Provide staff support to City Council, Planning Commission, Board of Zoning Appeals, Wetlands Board, Architectural Review Board and Industrial Development Authority.
- * Promote economic development through comprehensive planning, rezoning and master planning process.
- * Process all new subdivision proposals for presentation to City Council and Planning Commission.
- * Coordinate and lead department for the Environmental Development Plan Review Committee.
- * Coordinate and monitor ongoing residential and commercial site development.
- * Review and monitor all CBLAD enforcement activities, erosion & sediment control plans and E&S measures through project.
- * Develop and maintain community access channel and administer free garbage bag program.
- * Plan for completion of comprehensive plan and assist in on-going hurricane recovery effort.

Performance Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Citizen requests for information	1,300	1,400	1,500	1,500
City Council/Board/Comm Agenda Items	110	115	120	120
Comprehensive Plan Implementation	10	10	10	10
Major subdivision plans reviewed	20	25	30	30
Minor subdivision plans reviewed	8	8	8	8
Sign Permit Applications	60	60	60	60
Site Plans reviewed	13	15	15	15
Special Projects (non Planning)	10	10	10	10
Zoning Ordinance/City Code Amendments	50	50	50	50

Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance and VRS contribution rate and group life insurance.

Program Accomplishments

- * Participated in the planning of Phase I & initiated Phase II for the development of the storm water management system in the Big Woods.
- * Implemented Chesapeake Bay program requirements. Amended the Zoning Map to reflect changes.
- * Finalized the process for updating the City's 2005 - 2009 Comprehensive Plan.
- * Assisted the IDA in conjunction with their consultants in the Messick Point and Big Woods Plan.
- * Completed Oxford Run Study.
- * Processed 92 land use applications.
- * Assisted in the administration of CBLAD Grants for storm-damaged structures and brochure printing.
- * Obtained State approval of local Chesapeake Bay Phase I program.
- * Assisted in the development of new Planned Development Zoning District.

PLANNING / BZA / WETLANDS / ARB

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	-	\$ -	\$ -	n/a	n/a
Operating Expenses		6,231	7,547	6,300	6,200	(100)
Capital Outlay		-	-	-	n/a	-1.6%
Totals	\$ 6,231	\$ 7,547	\$ 6,300	\$ 6,200	\$ (100)	-1.6%

Personnel Summary

N/A

Goals and Objectives

Architectural Review Board (ARB)

- * Regulate exterior appearance of buildings, structures and improvements proposed for erection or alteration in the Village Commercial, General Commercial and Research and Development Districts in the Big Woods and along B-2 zoned segments of Wythe Creek Road.
- * Encourage construction of attractive commercial development and prevent garish, bizarre and inappropriate exterior designs which could deteriorate the appearance of development and ultimately threaten the integrity of future development and revenue within the City of Poquoson.

Board of Zoning Appeals (BZA)

- * Provide relief to property owners from the Zoning Ordinance when the strict application of the ordinance would prevent the reasonable use of land. Determine mitigation requirements.

Planning Commission

- * Expand upon staff's knowledge in order to provide competent, expedient and professional advice and technical support to City Council pertaining to land use and development issues facing Poquoson.
- * Assist in guiding development in a fashion consistent with the Comprehensive Plan.

Wetlands Board

- * Provide competent, expedient and professional services and technical support to property owners proposing to perform development activities in wetlands.
- * Expand knowledge of the Wetlands Board and staff in order to protect Poquoson's environmentally sensitive wetlands, through the enforcement and administration of local and State wetlands laws.
- * Make determinations of "imminent danger of erosion" in aftermath of Hurricane Isabel for issuance of emergency permits.

Development Review Committee

- * Review site and subdivision plans, proposed RPA encroachment on grandfathered lots, grant waivers where appropriate and determine mitigation requirements.

PLANNING / BZA / WETLANDS / ARB

Major Departmental Functions

- * Process a variety of land use applications.
- * Assist public in City land use policies and standards.
- * Prepare and modify the City's Comprehensive Plan.
- * Serve as staff liaison to various Boards/Commissions and Committees.
- * Prepare applications for public hearings, inspecting sites, monitoring construction, assisting public in preparation and delivery of formal applications.
- * Presentations to City Council/Boards/Commissions.

Performance Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Architectural Review Applications	15	15	15	15
Board of Zoning Appeals - Ches Bay Exceptions	45	55	65	65
Board of Zoning Applications	36	39	41	41
Ordinance Amendments	12	14	16	16
Wetland Board Applications	42	46	50	50

Program Accomplishments

- * Process applications in a timely manner.

ECONOMIC DEVELOPMENT

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	5,000	5,325	5,330	5,330	-	0.0%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 5,000	\$ 5,325	\$ 5,330	\$ 5,330	-	0.0%

Personnel Summary

N/A



Goals and Objectives

- * Strengthen the employment and tax base of the community through economic development activities.
- * Provide marketing material for the Big Woods area and Messick Point.
- * Participate with the Hampton Roads Partnership, a committee made up of business leaders, senior military, area university presidents, and the Mayors/Chairs Caucus. The Partnership will work to define the region's priorities and establish a public/private entity to help implement the shared vision. The overall goal is to improve the competitiveness of the region especially in employment and income growth.

ECONOMIC DEVELOPMENT

Major Departmental Functions

* Retain and expand existing businesses and recruit new prospects.

<u>Budget Detail</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget
Public/Private Partnership	\$ 5,000	\$ 5,000	\$ 5,325	\$ 5,330
Total	\$ 5,000	\$ 5,000	\$ 5,325	\$ 5,330

COMMUNITY DEVELOPMENT

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	132,316	139,741	150,458	142,931	(7,527)	-5.0%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 132,316	\$ 139,741	\$ 150,458	\$ 142,931	\$ (7,527)	-5.0%

Personnel Summary

n/a

Goals and Objectives

- * Continue to contribute to a number of agencies which provide services to disadvantaged, elderly, and youth.
 - * Continue to contribute to agencies which provide services which help benefit Poquoson's economy, including those which attract new businesses to the area and increase local tourism.

COMMUNITY DEVELOPMENT

Major Departmental Functions

* Participate in agencies which provide services that improve the quality of life for citizens of Poquoson.

<u>Budget Detail</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget
Litter Control Grant	\$ 3,828	\$ 1,727	\$ 6,568	\$ 4,370
Contributions to Agencies:				
Airport Blue Ribbon	-	6,000	6,000	6,000
CNU Center for Arts	20,000	20,000	20,000	20,000
Disabilities Transportation	6,000	6,000	6,000	6,000
Hampton Roads Economic Development	-	-	11,844	11,700
Hampton Roads Planning District Comm (HRPDC)	5,205	7,130	9,430	9,594
HRPDC Municipal Construction Standards	-	365	365	371
HRPDC Other Projects	4,696	4,178	3,566	3,717
HRPDC Regional Groundwater Mitigation	3,294	3,321	3,352	3,384
HRPDC Stormwater Management Program	10,181	10,052	10,102	10,048
Historical & Cultural Museum	11,000	10,000	10,000	6,000
NASA/Langley	10,000	10,000	10,000	10,000
Peninsula Chamber of Commerce	1,750	1,750	1,750	1,750
Peninsula Council Workforce Development	14,125	14,125	6,040	5,967
Peninsula Emergency Medical Services	729	728	728	1,160
Peninsula Workforce Development Center	10,500	10,500	10,500	10,500
Poquoson Historical Commission	500	2,500	500	500
Retired Senior Volunteer Program	2,000	2,000	2,200	2,200
Sister City	-	-	1,800	1,800
Small Business Development Center	3,000	3,000	3,000	3,000
Thomas Nelson Community College	9,065	9,922	10,270	13,570
TNCC - Technology	5,143	5,143	5,143	-
Transitions Family Violence Services	1,300	1,300	1,300	1,300
YMCA Contribution	10,000	10,000	10,000	10,000
Totals	\$ 132,316	\$ 139,741	\$ 150,458	\$ 142,931

Significant Budget Items

* Decrease due to completion of Technology program funding for Thomas Nelson Community College.

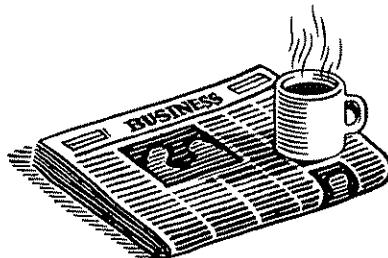
COMMUNITY RELATIONS

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 92,347	\$ 102,958	\$ 109,220	\$ 142,920	\$ 33,700	30.9%
Operating Expenses	23,021	27,489	25,190	22,030	(3,160)	-12.5%
Capital Outlay	1,911	1,003	2,250	1,500	(750)	-33.3%
Totals	\$ 117,279	\$ 131,450	\$ 136,660	\$ 166,450	\$ 29,790	21.8%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
Community Relations/Events Manager	1	1	1	1
Program Specialist	1	1	1	1.5
Totals	2	2	2	2.5



Goals and Objectives

- * Serve as the Public Information center for citizens; to include, preparation of the Annual Report, the City Service Directory and special mailings as necessary.
- * Provide the new citizen "Welcome Bag" program where new residents receive comprehensive City service information in a special tote bag.
- * Continue to support Poquoson businesses in the form of a Business Directory, business survey and publicity on the sign board on Victory Boulevard.
- * Coordinate special events for the City including festivals and Volunteer Recognition event.
- * Offer the 4th Annual Poquoson Retail Merchant Map which will again include shopping, dining, and other areas of interest.

COMMUNITY RELATIONS

Major Departmental Functions

- * Programming, procuring corporate sponsorship, providing technical and logistical support for City sponsored Special Events such as the annual Poquoson Seafood Festival, Easter Egg Hunt, Child Fest, and Fireworks in the Park.
- * Promoting positive communication between City government and residents through programs like "Ask The City", the "New Resident Welcome Bag," and other public programming mediums such as Community Cable TV Channel 47, the Victory Boulevard City sign board and public service announcements in local newspapers.
- * Fostering a productive growth atmosphere for existing and future businesses.
- * Scheduling and coordinating Business Breakfasts and an Annual Business Appreciation Luncheon for business owners and City officials.
- * Preparing and mailing the City Annual Report.
- * Updating, revising, and distributing the City Service Directory to Poquoson residents.

<u>Performance Measures</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimated	FY 2007 Estimated
Ask The City Questions	10	15	7	10
Business Breakfasts	2	1	1	1
Business Surveys Mailed	650	650	650	650
Employee Appreciation Events	3	3	3	3
Volunteer Reception	1	1	1	1
Welcome Bags Distributed	60	80	100	120



Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance and VRS contribution rate and group life insurance and the increased cost of .5 for a full time position shared with Parks & Recreation.

Program Accomplishments

- * Continued to provide Poquoson residents with civic/community information through increased programming on Community Cable TV Channel 47, Cox Communications, new resident Welcome Bag program and the City sign on Victory Blvd.
- * Continued to provide support for Poquoson businesses in the form of an updated, larger, and re-distributed Business Directory, mailed to Poquoson, Tabb and Langley Air Force Base households.
- * Continued to provide safe, family-oriented, high quality events with corporate, volunteer, and City support to the citizens of Poquoson, including the Poquoson Seafood Festival, Childfest, Fireworks in the Park and the City Easter Egg Hunt.
- * Recognized the efforts of employees and citizen volunteers through employee and volunteer appreciation events.

NON-DEPARTMENTAL

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	37,445	22,823	49,000	55,000	6,000	12.2%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 37,445	\$ 22,823	\$ 49,000	\$ 55,000	\$ 6,000	12.2%

Personnel Summary

N/A

Goals and Objectives

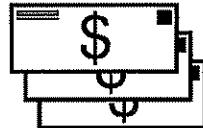
- * Refund taxes, licenses and fees that occur in cases of erroneous real estate or personal property assessment or overpayment.
- * Provide for a contingency for certain unanticipated expenses which inevitably arise during the year. Continue to keep the contingency account less than one quarter of one percent of the total general fund budget.

NON-DEPARTMENTAL

Major Departmental Functions

- * Account for expenses that are not readily classified in other areas.
- * Refund overpayment by citizens of local taxes, licenses and fees.
- * Hold funds in reserve for any contingent situations which may occur.

<u>Budget Detail</u>	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget
Refunds	\$ 2,829	\$ 2,356	\$ 9,000	\$ 8,000
Treasurer Cash Overages/Shortages	33	109	-	-
Bank Charges/Returned Checks	4,479	7,749	-	5,000
Contingencies	30,104	12,609	40,000	42,000
Totals	\$ 37,445	\$ 22,823	\$ 49,000	\$ 55,000



Significant Budget Items

- * Increase due to Bank Charges/Returned Checks not funded in FY 2006 and increase in Contingencies Fund.

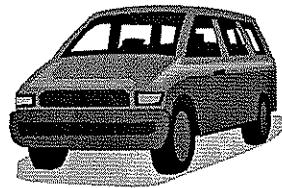
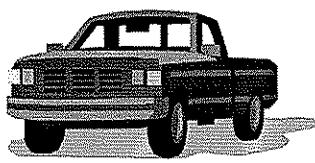
DEPARTMENT OF MOTOR VEHICLES

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 65,755	\$ 74,502	\$ 80,020	\$ 93,800	\$ 13,780	17.2%
Operating Expenses	238	877	2,760	2,330	(430)	-15.6%
Capital Outlay	516	-	3,100	1,100	(2,000)	-64.5%
Totals	\$ 66,509	\$ 75,379	\$ 85,880	\$ 97,230	\$ 11,350	13.2%

Personnel Summary

	FY 2004 Authorized	FY 2005 Authorized	FY 2006 Authorized	FY 2007 Authorized
DMV Service Clerk	2.4	2	2	2
Totals	2.4	2	2	2



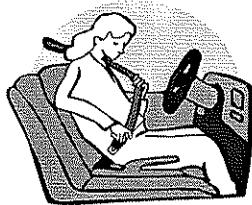
Goals and Objectives

- * Continue to cross-train employees in Commissioner of the Revenue's office.
- * Provide a smooth transition during the implementation of the new DMV computer system.

DEPARTMENT OF MOTOR VEHICLES

Major Departmental Functions

- * Process applications for titling and registration of motor vehicles.
- * Issue motor vehicle license plates and/or decals.
- * Issue handicap placards.
- * Issue driver transcripts.
- * Collect fees, taxes, penalties and other monies in connection with above transactions.



Significant Budget Items

- * Increase in personal services is due to a merit increase, an increase in health insurance, VRS contribution rate and group life insurance.
- * In FY 2005, revenue generated by this office, in the amount of \$77,645, exceeded the cost of operations, \$75,379 (resulting in a net operational gain of \$2,266).

Program Accomplishments

- * Cross-trained with Commissioner of the Revenue employees.
- * Combined the offices of the DMV and the Commissioner of the Revenue to provide citizens more efficient service and better communication among staff.

RECOVERY--HURRICANE ISABEL

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ 110,898	\$ -	\$ -	\$ -	\$ -	n/a
Operating Expenses	2,556,462	67	-	-	-	n/a
Capital Outlay	130,719	50	-	-	\$ -	n/a
Totals	\$ 2,798,079	\$ 117	\$ -	\$ -	\$ -	n/a

Personnel Summary

Personal Services represented overtime incurred in other departments, but charged to Recovery--Hurricane Isabel. It also included paid temporary employees.



Goods Given to Temporary Donation Center

Goals and Objectives

- * Finalize required Federal Emergency Management Agency (FEMA) and Virginia Department of Emergency Management (VDEM) documentation in order to close out public assistance disaster grant.
- * Apply for hazard mitigation funds to assist the City in preparation for future flooding.

RECOVERY--HURRICANE ISABEL

Major Departmental Functions

* This department accounts for the "extraordinary" expenditures associated with the recovery from Hurricane Isabel. The hurricane occurred on September 18, 2003 and caused substantial flooding and wind damage to the City. The largest expenditures in this department are associated with debris removal. Expenditures also include overtime and part-time help during the storm and post-storm, emergency supplies after the storm, repairs to damaged vehicles, equipment and structures; emergency services provided to citizens, and contributions of disaster relief donations to the Poquoson Disaster Recovery Team.

Performance Measures

	Measure	Rates	Actual FY 04 & FY 05
Debris Hauled (CY)	171,057 CY	\$7.40	1,279,898
Administration Costs of Hauling Debris (VPPSA & Crowder Gulf)	N/A		29,601
Vegetative Debris Grinding and Disposal (CY)	67,783 CY	\$6.00	406,698
Household and Construction Debris Disposal (Tons)	14,206 tons	\$25.69	364,952
Inspectors of Debris Trucks (Hourly)	3,767 hours	\$25.00	94,175
Tree Stumps Hauled (#)	72 stumps	\$200-\$300	14,945
Tree Removal 5 person crew, knuckleboom, saws, chippers (hourly)	58 hours	\$345	20,010
Tree Removal Little Florida	N/A		2,500
Tree Removal City Parks (Per Tree)	75 trees	\$350-\$375	28,400
City Overtime and Part-Time	N/A		110,966
Relief for Citizens (From Donations)	N/A		54,379
VPPSA Hazardous Material Pickup	N/A		34,361
Fire Department Trailer	N/A		23,995
Shower Rental	N/A		30,000
Generator Rental	N/A		39,175
Contracted Laborers	N/A		18,243
Capital Replacement	N/A		115,606
Other Expenses	N/A		130,292
			\$2,798,196



Typical Debris from Flooded Homes Post Storm



Flood Waters Covered 3/4 of the City

Significant Budget Items

* The hurricane occurred on September 18, 2003. This accounts for the majority of emergency operations and debris removal.

TRANSFER TO OTHER FUNDS

Expenditures Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Revised Budget	FY 2007 Adopted Budget	\$ Change From 2006 Budget	% Change From 2006 Budget
Personal Services	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	2,313,421	2,350,476	2,737,888	2,771,950	34,062	1.2%
Capital Outlay	-	-	-	-	n/a	n/a
Totals	\$ 2,313,421	\$ 2,350,476	\$ 2,737,888	\$ 2,771,950	\$ 34,062	1.2%

Personnel Summary

N/A

TRANSFERS

Goals and Objectives

- * Transfer money to Debt Service Fund to cover payment of all general governmental debt service.
- * Transfer money to Capital Projects Fund for the continuation of the implementation of the five year Capital Improvements Program.
- * Transfer money to Industrial Development Authority (IDA) for expenses of the Authority.
- * Transfer money to Solid Waste to cover General Fund support of bulky item pickup and landscaping debris programs.

TRANSFER TO OTHER FUNDS

Major Departmental Functions

* Account for all transfers from the General Fund to other funds of the City.

<u>Budget Detail</u>	<u>FY 2004 Actual</u>	<u>FY 2005 Actual</u>	<u>FY 2006 Revised Budget</u>	<u>FY 2007 Adopted Budget</u>
Transfer to Debt Service	\$ 1,508,041	\$ 1,565,026	\$ 1,604,694	\$ 2,427,570
Transfer to Capital Projects	456,380	444,750	692,864	153,000
Transfer to Utilities Fund	-	-	-	-
Transfer to Parks & Recreation	56,000	83,600	139,900	69,710
Transfer to Fleet Fund	-	-	-	-
Transfer to Solid Waste	198,000	197,200	200,000	-
Transfer to IDA	95,000	59,900	100,430	121,670
Totals	\$ 2,313,421	\$ 2,350,476	\$ 2,737,888	\$ 2,771,950

Significant Budget Items

- * The increase in the transfer to debt service includes new debt to rebuild hurricane damaged Fire Station #1, construction of Poquoson Elementary School, and to fund a reserve for future debt.
- * The transfer to Capital Projects covers larger expenditures identified in the Capital Improvements Plan.
- * The transfer to Parks and Recreation includes \$69,710 to supplement operational costs.
- * The Industrial Development Authority (IDA) started in FY 2001 and consequently had several purchases which needed funding. Over time, the IDA will generate money for its own projects.
- * In FY 2007, the transfer to the Solid Waste Fund was eliminated due to a fee restructure in the recycling program and elimination of the green bag program and fee.

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